

INVENTORY OF ESA 1995

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1. OVERVIEW

1.1. INTRODUCTION

National accounts offer a consistent framework that can be used for macro-economic analyses. Since the appearance of national accounts it has repeatedly been found necessary to adjust the methodology regulations to new economic developments. The most recent revision of the standards applicable worldwide led, in 1993, to the *System of National Accounts* (SNA93), drawn up under the joint responsibility of the United Nations, the International Monetary Fund, the World Bank, the Organisation for Economic Cooperation and Development and the European Commission. Because SNA93 on the one hand aims for international comparability, and on the other hand there is great heterogeneity in the structure and the level of development of countries, SNA93 allows some flexibility in its application.

The *European System of national and regional Accounts* (ESA 1995)¹ is the Community version of SNA93, and replaces the *European System of Economic Accounts* (ESEA 1979)² published in 1979. ESA 1995 is compatible with SNA93, but the options left open by SNA93 have been specifically elaborated to meet the information requirements of the European Union. The harmonisation between the macro-economic indicators of the Member States of the European Union has thereby been maximised.

The introduction of ESA 1995 coincided with a fundamental restructuring of the Belgian statistical apparatus. The Institute of National Accounts (INA) was set up by the Law of 21 December 1994 on the reformation of the Belgian statistical apparatus. The function of the INA is to compile the following statistics and projections:

- the real and financial national accounts;
- the quarterly national accounts;
- the regional accounts;
- the detailed quarterly accounts of the public administration services;
- the input-output tables;
- the foreign trade statistics;
- the economic projections for the federal budget.

¹ Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community.

² ESEA 1979 is a second version of the *European System of Economic Accounts* (ESEA 1970) published in 1970 that is based on the *System of National Account* published in 1968. The first version of SNA dates from 1953.

The INA has no staff of its own, but coordinates the functions carried out by the three associated institutions:

- the General Directorate of Statistics and Economic Information (GDSEI) of the Federal Public Service (FPS) Economy that is responsible for collecting the basic data, except for that on external trade;
- the Federal Planning Office (FPO) that is responsible for drawing up the input-output tables and the budget projections;
- the National Bank of Belgium (NBB) that is responsible for drawing up the annual real and financial national accounts, the quarterly accounts, the regional accounts, the external trade statistics (including the collection of basic data) and, in cooperation with the FPO, the detailed accounts of the public administration services.

The INA is monitored by the FPS Economy, SMEs, Independent Professions and Energy and is headed by a board of directors, chaired by the representative of the Federal Public Service and consists of representatives of the three associated institutions. The board is assisted by two scientific committees, one for the national accounts and one for the economic projections for the budget. These committees, composed of experts from inter alia the academic world, give advice on the scientific value of the methods and pronounce on the results. They are consulted in case of any important methodological change in their respective fields.

In addition a guidance committee sends recommendations to the board of directors relating to the correction of public statistics.

The transition from ESEA 1979 to ESA 1995 was seized upon in Belgium as an opportunity to fundamentally revise the layout of the national accounts, rather than just to adapt the existing series to the methodological innovations of ESA 1995. This revision related both to the choice of statistical source material and to the actual calculation method.

In Belgium the macro-economic real and financial statistics (with the exception of the input-output table) are compiled in the Central Bank (NBB).

The structure of the statistics department of the National Bank is as follows:

A. Statistical Information Systems Service

This is a service that is responsible for publications (hard copy and via the website), distribution of statistical data within and outside the Bank, maintenance of the statistical databases and the Datashop.

B R&D unit

This is a unit that is responsible for the development of statistical tools and computer applications for the different services of the statistics department.

C Balance of payments and external trade service

This service is responsible for compiling the balance of payments and external trade statistics (imports and exports of goods).

D Financial statistics service

This service is responsible for the layout of the financial sector accounts and monetary and banking statistics.

E Real statistics service

This service is responsible for the layout of the real national accounts (on an annual and quarterly basis), regional accounts and business surveys.

The staff working for the national accounts can be broken down as follows (in FTE, situation at end of 2006)

	Clerical staff	Executives	Total
Technical support (IT)	4	0	4
Real sector accounts	1	6	7
Aggregates per industry/product and final uses	2	5.8	7.8
Quarterly accounts and labour market statistics	3	2.5	5.5
Total national accounts	10	14.3	24.3
<i>p.m. Regional accounts</i>	0.8	1.8	2.6

1.2. PRODUCTION AND REVISIONS POLICY

1.2.1. Publication and production schedule

The publication schedule for the real national annual accounts, quarterly accounts and flash estimate during year t is as follows (current revisions, cf. below, are shown in *italics*):

Publication in year t (a)	Flash estimate (b)	Main aggregates	Tables per industry	Sector accounts	Supply and use table (SUT)	Investments and capital stock per industry and product T20/22
Jan.		t-1(Q3) <i>t-1(Q1_Q2)</i>	T3	T8	T15/16	
Feb.	t-1(Q4)					
March						
April		t-1(Q4) <i>t-1(Q1_Q3)</i>		t-1(Q4)		
May	t(Q1)					
June						
July		t(Q1)		t(Q1)		
Aug.	t(Q2)					
Sep.						
Oct.		t(Q2) t(Q1) <i>t-1, t-2, t-3</i>	t-1 t-2, t-3	t(Q2) t-1 <i>t-2, t-3</i>		
Nov.	t(Q3)					
Dec.					t-3	t-2

Q: quarter

(a) *Table number used in Annex B of ESA 1995 transmission programme.*

T1 and T8 relate to annual and quarterly aggregates. T3, T15/16 and T20/22: only annual aggregates.

(b) *Estimate of the growth in gross domestic product at constant prices.*

Work is carried out throughout the year on the production of the quarterly accounts and the flash estimate and on the corresponding methodology. The production schedule for the annual accounts is as follows:

Year t (a)	Tables per industry T3	Sector accounts T8	Supply and use table (SUT) T15/16	Investments and capital stock per industry and product T20/22
Jan.	t-3		t-3	
Feb.	final	t-3	final	
Mar.		final		
Apr.	t-2	t-2		
May	semi-final	semi-final		
June			t-2 provisional	
July				
Aug.	t-1 provisional	t-1 provisional		
Sep.				t-2 provisional
Oct.				t-3 final
Nov.				
Dec.				

(a) Table number used in Annex B of ESA 1995 transmission programme.

1.2.2. Revisions policy

Revisions of published series are unavoidable because e.g. more recent and final source data become available, calculation methods are improved, or classifications change. The revisions policy must aim for the most harmonious equilibrium possible between stability and quality.

The comparability over time, or the correct estimate of growth figures, has a higher priority than the correct estimate of absolute levels. This has consequences for the revisions policy and leads to a distinction between *current (or routine) revisions* and *occasional (or benchmark) revisions*.

Current revisions

These revisions are mainly caused by more exhaustive or more correct source data becoming available than was the case at the time of the first estimate. They therefore relate mainly to the last year calculated in a previous campaign. The revised series are available at a fixed time and coincide with the publication calendar.

In the *accounts* not all the possible revisions are made, but only those that do not cause a break in the series. An exception to this are revisions necessitated by adjustments that have to be made immediately as a result of European Directives [e.g. Directives relating to excessive (general government) deficits; Directives relating to the contribution to the own resources of the European Union].

Current revisions, excluding those resulting from European Directives, are made to the annual accounts up to the time when the last deadline of the reporting tables expired. The reporting tables and their deadlines are defined in the transmission programme for ESA 1995³. The last deadline relates to the supply and use table, namely t + 36 months. This means that from this time on no more current revisions are made, and that the GDP (gross domestic product) and the GNI (gross national income) are final until the next occasional revision.

The current revisions for the *annual accounts and the quarterly accounts* are synchronised. The quarters that belong to a year for which annual aggregates have already been published are only revised upon the revision of the annual aggregates (October).

Occasional revisions

For the period for which no further current revisions are made new data may of course become available or better methods developed after the closure of the final accounts. The revisions that may arise because of this are however only made occasionally.

Occasional revisions may also originate from the application of new concepts (e.g. ESA 1995) or changed classifications.

For occasional revisions there is neither a predetermined regularity, nor a previously specified period to which the revision relates. As a general rule occasional revisions go back as far as possible in time to maintain long consistent series.

All the possible revision, other than current ones that were established since a previous occasional revision, are made together. This means that the levels of a number of series may undergo major changes.

The most recent occasional revision in Belgium was carried out in 2005. This inventory reflects the situation after implementation of this revision, i.e. the currently used sources, calculation methods and methodology. In future revisions will be made in accordance with the Community revisions policy to be agreed between the Member States and Eurostat.

The occasional revisions of the *quarterly accounts* are carried out at the same time as the occasional revisions for the *annual accounts*.

³ Annex B - *Transmission Programme of National Accounts Data* - of the Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community.

1.3. THE OUTPUT APPROACH

1.3.1. Reference framework

The estimate of GDP via the output side is largely based on the *business register* compiled by DGSEI. This database includes all economic agents that are active in Belgium. The basic information for creating this register is supplied by a number of administration services [VAT, National Social Security Office (NSSO), National Register] which manage partial files of units for their own purposes (respectively VAT-registered corporations, employer corporations and corporate bodies]. By linking the identifiers present in these source files DGSEI creates the business register.

Based on this register the NBB constructs an annual '*directory*' which contains identification numbers and characteristics that are relevant for the national accounts for all corporations (corporations, self-employed persons, NPAs⁴).

The combination of the following characteristics enables ESA 1995 variables to be calculated in a detailed way, and for the most appropriate basic source to be selected for this:

- NACE code (determines which industry the unit belongs to)
- category (determines which source⁵ is used to estimate the activity of the unit)
- institutional sector code (determines which institutional sector the unit belongs to)⁶
- region code (this information is important for regionalisation of the value added, compensation of employees, investments and employment)

The units of the general government sector (S.13) are known from an exhaustive list that is updated annually. Since the estimate of the value added in the general government sector is based on specific source material for these units the aggregates are calculated in a different way to those for market producers.

The allocation of a sector code to the units included in the directory is largely carried out via an automated procedure. By combining the NACE code and the structure of the identification number it is possible, for the units not belonging to the general government, to determine the sector code.

The aggregation of variables present in the different source files (cf. 1.3.2) is always carried out on the basis of the characteristics (NACE code, sector code, district code) included in the directory.

⁴ The legal notion *non-profit association (NPA)* is not relevant for the sector classification of ESA 1995 based on economic criteria.

⁵ Cf. 1.3.3.1.

⁶ ESA 1995 provides the institutional sectors: non-financial corporations (S.11), financial institutions (S.12), general government (S.13), households (S.14) and non-profit institutions (NPIs) serving households (S.15).

This procedure ensures that the results calculated via different sources are comparable with one another. The basic aggregates are always calculated per institutional sector, within each sector per industry and within each industry per district⁷. This ensures a fully integrated compilation (calculation, validation and adjustment) of the value added in the national and regional accounts.

1.3.2. Main sources

1.3.2.1. Non-financial corporations (S.11 and S.14)

All relevant sources (administrative data and survey data) are stored at corporation level in a 'corporation database'. For a large corporation working in the processing industry for example we have the annual accounts (operating income, acquisitions of goods and services, wages and salaries, acquisitions of tangible fixed assets, etc.), the balance sheet (wages and salaries and employment), the wages and salaries bill as this can be deduced from the NSSO return, turnover, acquisitions of current goods and services and investments according to the VAT returns, the industrial production according to the return in Prodcom (Community survey into industrial production), the structure survey data and the import and export data for goods (collected by the External trade service) and services (collected by the Balance of payments service).

The calculation method in ESA 1995 makes maximum use of administrative data. The main sources of an administrative nature are the annual accounts filed by non-financial corporations, the VAT returns of VAT-registered corporations and the NSSO and NSSOPLA⁸ returns submitted by employers.

Annual accounts

In Belgium virtually all limited liability corporations (public limited companies, private limited companies, limited partnerships, etc.) must publish their accounts by filing them in accordance with a legally established accounting schedule with the Central Balance Sheets Office of the National Bank of Belgium. The annual accounts file is therefore the preferred source for estimating ESA 1995 aggregates from the production and primary generation of income account of non-financial corporations.

Large corporations⁹ must file a 'full' accounting schedule, SME corporations may submit an 'abridged' accounting schedule. These reporting schedules are in fact data extracts from the internal financial

⁷ Corporations that have establishments in different districts are processed as 'multi-district' (MD).

⁸ National Social Security Office for Provincial and Local Authorities

⁹ The Corporations Act regards a corporation as large if: a) its average workforce on an annual basis is more than 100 or b) it exceeds more than one of the following thresholds: B.1) annual average workforce: 50, B.2) annual turnover (excluding VAT): EUR 7 300 000, B.3) balance sheet total: EUR 3 650 000. A corporation that is an independent legal entity that does not meet these criteria is classed as an SME corporation (small and medium-sized corporation).

accounting of corporations, where large corporations must provide more information than SME corporations. In total 267 000 abridged accounts and 18 000 full accounts were filed for the 2004 financial year.

All corporations with a turnover of more than EUR 500 000 must follow the 'Minimum Standardised System of Accounts'. This chart of accounts (introduced by Royal Decree in 1983) is the concrete operational implementation of the legislation on the system of accounting and annual accounts for corporations dating from 1975. The accounting legislation specifies the content and valuation of the various headings in the balance sheet (assets and liabilities) and the profit and loss account (income and expenditure). In this way the chart of accounts can be translated into the classification of transactions according to ESA 1995.

The use of annual account information provides clear benefits:

- the 'primary input' of the national accounts is drawn up in accordance with concepts that are relevant for, and known by, the declarant corporations (commercial accounting);
This information is standardised and can be converted into the concepts specified by the national accounts (ESA 1995 aggregates);
- in most industries the coverage of the annual accounts file is very large and only a small proportion of the total value added has to be estimated via other sources (structure survey, VAT turnover or NSSO wages and salaries bill);
- the 'formal' quality of the annual accounts is guaranteed since these must comply with a number of checks provided for by law (since 1991): this concerns arithmetic and logical checks of the data indicated in the balance sheet, the profit and loss account and the notes;
- the dependence on survey data for estimating the main aggregates is very limited; as a result the administrative burden on corporations can also be limited to some extent;
- the same source is used in the output approach (estimate of value added) and in the expenditure approach (estimate of investments);
- the format of asset balance sheets (and the integration of real and financial accounts) will be simplified in the future by using the same sources.

VAT returns

The activity of most non-financial corporations (supply of goods and provision of services) falls under the VAT system. Only a limited number of activities are exempt from VAT (legal services, medical services, leasing of real estate, etc.).

Depending on their size all enterprises (corporations, self-employed, NPAs) which fall within the scope of VAT must submit a monthly (annual turnover > EUR 1 million) or a quarterly VAT return

(annual turnover < EUR 1 million). On the basis of this the tax authorities determine their claim or debt relating to VAT for the enterprise in question.

From the VAT returns the turnover (proxy for P.1), current acquisitions of goods and services (proxy for P.2) and acquisitions of capital goods (proxy for P.51) can be deduced. The information relating to turnover and current acquisitions are in most industries used to estimate the value added of VAT-registered units classified to S.14, and to compute the activity of corporations for which no (usable) annual accounts or structure surveys are available.

Advantages of the use of VAT data are the big coverage, rapid availability and reasonable quality.

NSSO and NSSOPLA returns

All employers established in Belgium must each quarter submit a return to the administration of the National Social Security Office (NSSO)¹⁰ or to the National Social Security Office for Provincial and Local Authorities (NSSOPLA)¹¹. Based on this the social contributions payable are calculated. The information given in these returns enables the compensation of employees (D.1) to be calculated.

The wages and salaries bill is used, in some service industries, to calculate the value added of corporations with no (usable) annual accounts or structure survey and of NPAs classified to S.11. For non-market NPAs (S.15) the NSSO is the main source for estimating the value added.

1.3.2.2. Financial corporations and general government (S.12 and S.13)

Financial institutions (S.12) use specific accounts that are translated into the aggregates from the national accounts. The calculations are carried out per subsector (S.121 to S.125) because the basic accounting material available differs considerably between the different types of institutions [for example between monetary financial institutions (S.122) and insurance corporations (S.125)]. The financial auxiliaries (S.124) submit the same type of accounting schedule as non-financial corporations.

The accounting information provided by the financial institutions is checked in the Financial and economic statistics service. This is of high quality and almost exhaustive.

The value added is also estimated by the general government per subsector (S.1311 to S.1314) and is largely based on information from the government accounts and budgets.

¹⁰ Law of 27 June 1969, and Royal Decree of 28 November 1969.

¹¹ Law of 1 August 1985, and Royal Decrees of 25 October 1985 and 15 July 1986.

1.3.2.3. NPIs serving households (S.15)

The value added of non-market NPAs is estimated via a combination of administrative data (NSSO wages and salaries bill) and survey data. For the last few years a specific survey has been carried out among NPAs for the requirements of the national accounts.

1.3.3. Calculation of value added for non-financial corporations (S.11)

The calculation is carried out in two phases:

- compilation of a production account and primary generation of income account per industry (NACE 3 or 4 digit) and district in accordance with administrative/economic concepts;
- totalling of national amounts to a higher aggregation level (SUT industries) and conversion to concepts and valuation methods of the national accounts (ESA 1995).

The validation and adjustments in phase 1 are carried out per industry and district.

It is important to stress that the output and income approach is estimated *simultaneously and in an integrated way*. In this way the consistency between value added and its components (D.1, D.29, D.39 and B.2g) are already monitored at the start of the calculations.

1.3.3.1. Calculation of 'administrative' aggregates

In the first phase, via the characteristics stored in the directory, the administrative aggregates are calculated. The checks and adjustments are performed per industry/district.

1.3.3.1.1. Non-financial corporations (S.11)

The calculation is carried out at NACE 3 or 4 digit level by totalling the results of the underlying subpopulations (categories):

Category	Description
A1	large corporations with annual accounts using 'full accounting schedule'
A2	large corporations with no (usable) ¹² annual accounts
B.1	SMEs with abridged schedule, turnover and acquisitions indicated and gross margin > 0
B.2	SMEs with abridged schedule without turnover and acquisitions and gross margin > 0
C1	SMEs with abridged schedule, turnover and acquisitions indicated and gross margin > 0
C2	SMEs with abridged schedule without turnover and acquisitions and gross margin < 0
B.3	SMEs with no (usable) annual accounts
H	non-profit associations classified to S.11

A1) Large corporations with annual accounts in accordance with the 'full accounting schedule'

For large corporations in category A1 all relevant variables are available:

Operating income

annual account code	description
70	turnover
71	change in inventory produced goods (increase +, decrease -)
72	self produced fixed assets
74	other operating income
740	operating subsidies
741/9	miscellaneous other operating income ¹³

¹² Annual accounts are regarded as 'usable' (for further statistical processing) if:

- (a) the financial year coincides with the calendar year or
- (b) the financial year covers at least 3/4 of the calendar year (and covers a period of 12 months) or
- (c) financial year data from successive annual accounts can be determined pro rata to provide calendar year data.

In cases (a) and (b) the original data are used, in case (c) pro rata data. Corporations with 'no usable' annual accounts are dealt with in the same way as corporations with no annual accounts.

¹³ 741/9 means the sum of accounts 741 to 749.

Operating costs

annual account code	description
60	consumed goods for resale, materials and supplies
600/8	acquisitions of goods for resale, materials and supplies
609	changes in inventories purchased goods (increase -, decrease +)
61	other external charges for acquisitions (not entered in 600/8)
62	wages and salaries, social security contributions and pensions
64	other operating costs
640	business taxes
641/8	miscellaneous other operating costs

The following 'economic'¹⁴ aggregates can be deduced from these:

aggregate	annual account code
production	$70 + 71 + 72 + 74 - 740$
intermediate consumption	$60 + 61 + 641/8$
gross value added	$70 + 71 + 72 + 74 - 740 - 60 - 61 - 641/8$
staff costs	62
net business taxes	640-740
gross operating surplus	$70 + 71 + 72 + 74 - 60 - 61 - 62 - 640/8$

A2) Large corporations with no (usable) annual accounts

For large corporations that belong to category A2 we have the turnover (and acquisitions) according to the VAT returns and the wages and salaries calculated from the NSSO file¹⁵. The wage and salary data are included as they stand. The other headings are computed either via the turnover (this is the case in the majority of industries) or via the wages and salaries (this is the case in a number of service industries)¹⁶.

¹⁴ These are intermediate aggregates/balances that in this phase still fully comply with the conventions and valuation rules for corporate accounting as specified in the accounting legislation.

¹⁵ Including the NSSOPLA wages and salaries in a limited number of industries.

¹⁶ The structure of A1 is transferred to A2 using the ratio VAT turnover A2/annual accounts turnover A1, or the ratio NSSO wages and salaries A2/annual accounts wages and salaries A1.

B) SME corporations

For SME corporations we have less detailed information:

annual account code	description
70	turnover (<i>optional information</i>)
60/61	$600/8 + 609 + 61 = \text{consumption of goods and services}$ (<i>optional information</i>)
62	wages and salaries, social security contributions and pensions
640/8	$640 + 641/8$ (other operating costs incl. business taxes)
70/61	$\text{gross margin} = 70 + 71 + 72 + 74 - 60 - 61 > 0$
61/70	$\text{gross margin} = 70 + 71 + 72 + 74 - 60 - 61 < 0$

For SMEs with abridged accounts in which turnover and acquisitions are indicated (population B.1 and C1 respectively with a positive and negative gross margin) we know the main headings (in particular the turnover and consumption of goods and services). The missing headings are deduced from the known headings or computed on the basis of structure coefficients known for large corporations from the same industry.

The turnover and acquisitions of SMEs with abridged accounts that do not give this information (population B.2 and C2 respectively with a positive and negative gross margin) are computed.

The turnover and acquisitions of B.2 are obtained by multiplying amounts B.1 by the ratio gross margin B.2/gross margin B.1 (extrapolation of turnover and acquisitions via the gross margin).

The turnover of C2 is taken from the VAT data and acquisitions are deduced per balance (value added is known). The wages and salaries are taken over from the annual accounts.

The data for SMEs with no (usable) annual accounts (population B.3), and for NPAs classified to S.11 (population H), is estimated either via the VAT turnover, or via the NSSO wages and salaries based on the structure of B.1 + B.2 + C1 + C2. The NSSO wages and salaries calculated for these categories are taken over as they stand.

Populations A2, B.3 and H for which no annual accounts are available and whose activity must be computed via other sources only represent around 12% of the total value added of S.11.

1.3.3.1.2. Unincorporated enterprises included in the sector households (S.14)

These units are included in category B.3 (small corporations with no annual accounts).

Depending on the activity different sources are used to estimate the value added (and the mixed income) of self-employed persons.

The calculations for *agriculture, forestry and fisheries* use sources that are specific for these industries.

For *VAT-registered self-employed persons* the value added is estimated via the VAT returns.

For *non VAT-registered self-employed persons* and business managers (directors and managers) personal income tax returns are used. The disadvantage of this source is that the final data only become available late (final data for income year t become available at the end of t+2). For the medical professions the NSDII data¹⁷ are also used. These calculations are at present still carried out outside the directory.

Housing services (real and imputed rent) are estimated according to a stratification method that is specified by a decision of the European Union. For the base year (2001) the Panel Study of Belgian Households gives the rents for different categories of dwellings. The (stratified) housing file for this year is compiled on the basis of the (10-yearly) socio-economic survey. Multiplication of prices (rents) by quantities (dwellings per stratum) gives the total output of housing services.

The value added of *private households with employees* (NACE 95) corresponds to the wages paid by families to domestic help, gardeners, cleaning ladies etc. Because most of these services are supplied 'in the black economy' little or no basis can be found for this in official sources. The estimate is based on information contained in the Panel Study of Belgian Households.

1.3.3.2. Conversion of economic aggregates to aggregates in national accounts

1.3.3.2.1. Non-financial corporations (S.11)

In the first phase the administrative aggregates are calculated per industry (NACE 3/4), category and district. National figures in NACE 3/4 are obtained by aggregating over categories and districts. These interim results are then added to a higher aggregation level (120 SUT industries).

¹⁷ National Institute for Health and Invalidity Insurance.

For each SUT industry (and separately for S.11 and S.14) in the second phase the economic variables are converted into ESA 1995 aggregates. On balance this also gives the gross value added (B.1g) and the gross operating surplus (B.2g).

<u>economic aggregates</u>	<u>adjustments/ reclassifications</u>	<u>aggregates ESA 1995</u>	
70+71+72+74-740	→	output	P.1
600/8 + 609 + 61 + 641/8	→	intermediate consumption	P.2
62	→	compensation of employees	D.1
640	→	other taxes on production	D.29
740	→	other subsidies on production	D.39

Most adjustments and reclassifications have a counterpart; this may fall within or outside the operating account. In this way the budget identity is maintained at sector account level.

The information needed to calculate these adjustments is available either in the annual accounts, or in the structure survey, or as exogenous data in the S.13 accounts (taxes and subsidies on products and other taxes and subsidies on products) and S.12 (insurance premiums received and claims paid).

1.3.3.2.2. Households (S.14)

Also for self-employed enterprises the administrative aggregates are converted into ESA 1995 aggregates. Because we have much less information available for self-employed persons a few adjustments are calculated for goods for resale, bank charges, insurance premiums, gratuities and black economy.

The table below gives an overview of the different adjustments for S.11 and S.14. The table also shows the impact on value added for the year 2003. The GDP in 2003 was EUR 274 658 million.

Conversion of economic aggregates into ESA 1995 aggregates in S.11 and S.14					
Impact on gross value added					
(2003, in millions of euros)	No	S.11	S.14	S.11	S.14
Value added in accordance with administrative concepts				142 853.1	18 480.2
Adjustments with no impact on the gross value added (B.1g)					
elimination of purchased goods for resale from turnover and acquisitions	(d)	X	X	0	0
elimination of purchased real estate intended for resale from turnover and acquisitions	(s)	X		0	
transfer of interest subsidies received from financial income to operating subsidies	(n)	X		0	
grossing of contract work	(ac)	X		0	
adjustments to acquisitions and turnover not relating to goods for resale (auctions, games of chance, energy)	(z)	X		0	
transfer of changes in inventories and self produced capital goods to turnover	(t)	X		0	
alignment of wages and salaries from annual accounts with ESA 1995 wages and salaries bill	(b)	X	X	0	0
Adjustments with impact on the gross value added (B.1g)					
elimination of taxes on products and non-deductible VAT from 'business taxes' account	(a)	X		-72.2	
transfer of discounts for cash payment from financial results to turnover and acquisitions	(c)	X		-22.3	
elimination of current gains and losses from other operating income and operating costs	(e)	X		-311.0	
elimination of rent for land received and paid from turnover and acquisitions	(f)	X		119.3	
elimination of self-developed R&D from P.1 and transfer of purchased R&D investments to P.2	(g)	X		-2 071.2	
elimination of gifts from acquisitions	(h)	X		135.5	
capitalisation of purchased and self-developed software	(i)	X		1 903.8	
transfer of capitalised formation expenses to intermediate consumption	(j)	X		-78.0	
transfer of some bank charges from financial expenses to acquisitions of services	(k)	X	X	-1 045.4	-22.4
elimination of transfer part of non-life insurance premiums paid from acquisitions	(l)	X	X	946.0	369.8
elimination of non-life insurance claims from other operating income	(m)	X		-549.2	
elimination of excise duties from acquisitions, business taxes and turnover	(o1)	X		-2 390.0	
elimination of turnover tax in the pharmaceutical industry from business taxes and turnover	(o2)	X		-127.7	
elimination of other taxes on products recorded in the turnover	(o3)	X		-59.0	
transfer of taxes on products recorded in business taxes to turnover	(o4)	X		374.2	
self produced payments in kind (extrapolation of turnover)	(P.1)	X	X	54.9	5.7
purchased wages and salaries in kind (elimination from acquisitions)	(P.2)	X		701.8	
inclusion of gratuities paid in turnover and wages and salaries	(q)	X	X	289.2	107.1
transfer of directors' fees paid from distributable profit to acquisitions of services	(r)	X		-508.8	
elimination of value added produced abroad	(v)	X		-1 393.7	
elimination of holding gains/losses on stocks	(w)	X		-34.7	
additions (hospitals, originals, housing services, own dwellings, services of domestic staff)	(x1)	X	X	7 344.9	21 326.1
additions (professional hire charges)	(x2)		X		1 023.2
extrapolation for black economy work	(y)	X	X	5 870.6	4 258.4
elimination of difference between paid and received D.29/D.39 and insurance premiums	(aa)	X		-950.3	0.0
netting between output and expenditure approach	(ad)	X	X	-53.7	0.0
allocation of intermediate consumption from FISIM to industries	fisim	X	X	-2 678.0	-2 503.9
Total adjustments				5 395.0	24 564.0
Value added in accordance with ESA 1995				148 248.1	43 044.2

1.3.4. Calculation of value added for other producers

1.3.4.1. Financial institutions (S.12)

The specific accounting statements of monetary financial institutions provide exhaustive information from which, after a few adjustments, the variables of ESA 1995 can be calculated. The adjustments for bringing the content of the reported variables into line with the variables of ESA 1995, are calculated on the basis of information from the structure survey for monetary financial institutions.

The calculation method for the different monetary financial institutions and other financial institutions is carried out on a detailed level of the NACE, and as a result is very diversified.

Standardised reporting schedules verified by official bodies are also available for the insurance industry from which, via the information from the structure survey for insurance corporations, the aggregates can be calculated in accordance with ESA 1995 concepts.

1.3.4.2. Non-market industries

1.3.4.2.1. General government (S.13)

The output of non-market producers is calculated as the sum of the production costs: intermediate consumption (P.2) + compensation of employees (D.1) + consumption of fixed capital (K.1) + other taxes on production (D.29) - other subsidies on production (D.39).

For the federal government and communities and regions the calculation of the above variables is based on information from the economic classification of expenditure and income. The classifications in these government accounts follow the concepts of the national accounts as closely as possible, as a result of which the variables of ESA 1995 can be calculated from the source data in a standardised way.

For the lower levels of government the source data are collected via surveys, and then converted into the concepts of the national accounts.

1.3.4.2.2. Non-profit institutions serving households (S.15)

The calculation of value added for the industries belonging to this sector is carried out by combining exhaustive data on the compensation of employees, coming from various sources, with data from the structure survey for NPAs. From the structure survey for a number of producers the proportions between on the one hand D.1 and on the other hand P.2, K.1, D.29 and D.39 are deduced. These structure coefficients are applied to the compensation of employees to calculate the output and intermediate consumption per industry.

1.3.5. Conclusion

The output approach is largely based on direct estimation methods in view of the ample availability of information of an accounting and fiscal nature.

The calculations are carried out directly, with the exception of the production of housing services. For rents the value of a base year (2001) is extrapolated with price and volume indices.

The exhaustiveness of the estimate is ensured by the general procedure followed: use of the business register including all (officially registered) corporations – corporations, NPAs, self-employed persons.

A computation is made for the black economy for S.11 and S.14.

Exhaustiveness of GDP is also obtained by correctly applying ESA 1995 definitions. In the output approach this is achieved by a detailed estimate of all transitional components between the administrative aggregates and the aggregates according to ESA 1995.

1.4. THE INCOME APPROACH

1.4.1. Reference framework and main sources

In Belgium no independent estimate is made of GDP according to the income approach. The estimate of value added in basic prices and its income components, compensation of employees (D.1), net other taxes on products (D.29-D.39), gross operating surplus/mixed income (B.2g/B.3g), is after all carried out simultaneously where B.2g+B.3g is determined as a balance.

The compensation of employees (D.1) is estimated by the combined use of accounting information (annual accounts and balance sheet, specific accounting statements for the financial sector, general government accounts) and information relating to social contributions paid (NSSO and NSSOPLA file).

The totals for D.29 and D.39 are known via the general government account and the rest of the world account. These totals are apportioned over sectors and industries taking into account the nature of the taxes and subsidies.

1.4.2. Calculation

1.4.2.1. Compensation of employees

The total compensation of employees (D.1) is first calculated from various sources, then (partially via other sources) the wages and salaries (D.11), employers' actual social contributions (D.121) and employers' imputed social contributions (D.122) are calculated.

Calculation of the total compensation of employees (D.1) per industry

The compensation of employees (D.1) comprises the total remuneration, in money or in kind, that is payable by an employer to an employee for the work carried out during the accounting period.

The total compensation of employees is calculated per sector and within each sector per industry. The procedure may differ slightly per sector. All the apportionments are made at SUT industry level (or, if possible, at the NACE level from which the SUT industry is composed).

The balance sheet (S.11), accounting statements of financial institutions (S.12) and NSSO data (S.14 and S.15) form the starting point for estimating the compensation according to ESA 1995. Only for the general government sector (S.13) is this not used directly; there the budgets of the various government

levels are the basic source. In addition the NSSO only provides partial information here. The provincial and local authorities report to the NSSOPLA.

a) Non-financial corporations (S.11)¹⁸

For corporations filing annual accounts whose financial year coincides with the calendar year and for which a balance sheet is also available the balance sheet is used as a source for the compensation of employees according to ESA 1995 (D.1).

For corporations filing annual accounts whose financial year does not coincide with the calendar year, or not filing annual accounts/balance sheet, the NSSO is used as a source to estimate D.1.

The NSSO provides information on the wages and salaries bill per individual corporation. This includes all the elements of the gross wages and salaries on which social contributions are paid as well as the social contributions themselves (broken down by employees' contributions – which are already included in the gross wages and salaries – and employers' contributions). However no social contributions are payable on certain elements of the compensation. The wages and salaries bill according to the NSSO is hence incomplete from the point of view of the national accounts and must be extrapolated.

By comparing the wages and salaries bill according to the NSSO on the one hand and according to the balance sheet on the other hand for corporations that occur in both sources, coefficients are calculated per industry with which the NSSO wages and salaries bill must be increased. Separate coefficients are calculated depending on whether these are large or small corporations. The extrapolation is then carried out per corporation. Grouping the wages and salaries bill of all corporations with the same principal activity gives the compensation of employees per industry.

The following elements, that are not included in the wages and salaries bill according to the NSSO or the annual accounts, are then added:

- the wages and salaries bill of seafarers and the mine workers (who are members respectively of the Seafarers' Relief and Contingency Fund and the National Retirement Fund for Mineworkers; the latter was taken over as from 01/01/1999 by the NSSO);
- the compensation of prisoners according to the budgets of the Prison Labour Authority;
- the compensation of corporations affiliated to the NSSOPLA (National Social Security Office for Provincial and Local Authorities);
- wages and salaries in kind (balance sheet, heading "benefits on top of wages and salaries");

18 The same approach is also followed for sectors S.123 and S.124.

- the personal use of a company car (from 1997 there is a social contribution on this benefit, from which the benefit itself can be estimated);
- gratuities (calculated as a percentage of turnover);
- the profit share of employees (heading in the annual accounts)
- wages and salaries paid out in the black economy (calculated as a percentage of the value added "in the black economy" in S.11).

b) Financial institutions (S.12)

For monetary financial institutions (S.121 and S.122) and for the subsector of insurance corporations and pension funds (S.125) the wages and salaries bill is calculated per individual corporation on the basis of annual accounts information.

The wages and salaries bill of other financial intermediaries (S.123) and financial auxiliaries (S.124) is calculated by a combined use of the balance sheet and the NSSO (cf. S.11)

c) General government (S.13)

The compensation of employees is calculated using information from the government accounts and budgets. For the wages and salaries bill of employees at universities the NSSO wages and salaries bill is used. There is a breakdown per subsector and within each subsector per industry. The following subsectors are distinguished: the federal government, the communities and regions, the lower levels of government (provinces, municipalities and public centres for social welfare (PSWC)) and compulsory social security.

d) Households (S.14)

The natural person enterprises in S.14 who are employers pay wages and salaries. The wages and salaries bill according to the NSSO is taken over. The following elements are added to it: premiums for industrial accidents (based on percentages per industry deduced from the quadrennial labour costs survey of DGSEI) gratuities (calculated as a percentage of turnover in certain sectors), the compensation for the sector "households with staff" (only partially indicated in the NSSO) and wages and salaries paid in the black economy (determined as a flat rate of 5% of officially reported wages and salaries).

e) Non-profit institutions serving households (S.15)

At national level the wages and salaries bill according to the NSSO is taken over and supplemented with insurance premiums for industrial accidents, imputed employers' contributions¹⁹ (source: structure survey of non-profit institutions), the compensation of people working under a precarious labour status and the compensation of religious.

Breakdown into wages and salaries (D.11) and social contributions (D.12)

The totals for actual social contributions (D.121) are determined on the basis of the accounts of general government (S.13) and insurance corporations and pension funds (S.125). Imputed social contributions (D.122) are calculated from the results of the EEC four-yearly survey of the level and structure of labour costs.

Once the social contributions (D.121 and D.122) have been calculated, gross wages and salaries (D.11) are represented by the difference between compensation of employees (D.1) and social contributions (D.121+D.122).

1.4.2.2. Taxes on production and imports; subsidies

1.4.2.2.1. Taxes on production and imports (D.2)

These taxes on the production and importing of goods and services or the use of production factors are payable irrespective of whether or not an operating profit is made.

The source used is cash receipts. The recording method is that of "time-adjusted cash registration" whereby cash receipts are adjusted over time, which ensures that the amounts in question are attributed to the period in which the activity giving rise to the tax charge took place. This adjustment is based on the statutory timelag between the date of payment and the period in respect of which the payment is made.

Taxes on production and imports paid to EU institutions (S.212) are also included, even though they do not pass through the accounts of general government (S.13).

Taxes on production and imports (D.2) are totalled before being broken down into taxes on products (D.21) and other taxes on production (D.29) on the basis of the inventory of the various taxes, most of which are product-related. D.29 therefore only comprises taxes which fall within the proposed definition and a balance of activity-related taxes which are mainly collected by communes.

¹⁹ These are social benefits that the employer pays directly to his present or former employees (e.g. supplementary child benefit).

1.4.2.2.2. Subsidies (D.3)

Subsidies are non-contractual transfers granted mainly to market branches of activity by general government (S.13) or by EU institutions (S.212). They may be subsidies on products (D.31), granted to reduce their market price or other subsidies on production (D.39), designed, for example, to support employment. Coverage of annual losses is also treated as subsidy payment.

Subsidies are equivalent to negative taxes on production insofar as they impact on the operating surplus in the opposite way to taxes on production.

The source used is accounting based on payment orders. Like taxes on production and imports (D.2), subsidies (D.3) are totalled before being broken down into, on the one hand, subsidies on products (D.31), mainly comprising subsidies to public-sector enterprises (Belgian National Railways, the Postal Service etc.) and European subsidies under the CAP, and, on the other hand, other subsidies on production (D.39), comprising interest subsidies and, above all, subsidies to foster employment.

1.4.2.3. Consumption of fixed capital (K.1)

General government

As overall balance sheet data for general government as a whole are not available, the perpetual inventory method is used on the basis of long investment series. This method is described in section 4.12.

Consumption of fixed capital is calculated by a depreciation function based on the following average service lives for general government per product (Pi7):

Pi1 = products of agriculture, forestry and fishing: 3 years

Pi2 = products of the engineering industry: 15 years

Pi3 = means of transport: 8 years

Pi4 = housing: not applicable

Pi5 = other construction work and civil engineering:

60 years for purchased buildings and new buildings

55 years for roads (as recommended by the GNI Committee)

70 years for maritime and inland waterway works

60 years for other construction works

Pi6 = other products: 7 years

Pi7 = computer software: 3 years.

Market industries

The consumption of fixed capital of market industries is calculated with the permanent inventory method (PIM).

ESA 1995 specifies calculating the consumption of fixed capital on the basis of the stock of fixed assets and the probable average economic life of the different types of goods. Because there is no direct information on the stock of fixed assets, the stock of fixed assets is estimated via the PIM as the sum of gross capital formation from the past that is still being used in the present period. By applying depreciation functions per type of fixed asset the consumption of fixed capital can be calculated from this.

1.4.3. Conclusion

In the income approach the gross operating surplus/gross mixed income per industry is calculated as a balancing item. The calculation of compensation of employees, taxes on production and imports, and subsidies is based primarily on direct estimation methods in view of the ample availability of information in administrative sources and accounting statements.

The calculations are carried out directly.

The exhaustiveness of the estimate of the compensation of employees is ensured by the general procedure followed: use of the business register in which all (officially registered) employers are included.

A computation is made for wages and salaries paid out in kind, undeclared wages and salaries (consistent with the amounts relating to undeclared value added), gratuities and wages and salaries paid to domestic staff.

1.5. THE EXPENDITURE APPROACH

1.5.1. Reference framework and main sources

Consumption expenditure by households is mainly based on the household budget survey (annual), administrative data and specific surveys. Consumption expenditure by the general government is based on administrative sources.

To estimate investments three main sources are used: the annual accounts, VAT returns and structure surveys.

The balance of payments and external trade statistics form the basis for the calculations of imports and exports of goods and services.

1.5.2. Calculation

1.5.2.1. Consumption expenditure

1.5.2.1.1. Consumption expenditure by households (P.3_S.14)

For the purpose of implementing ESA 1995 in Belgium, the Household Budget Survey (HBS) is one of the main sources of data for calculating households' final consumption expenditure.

Expenditure per product per family is extrapolated, according to the nomenclature of the household budget survey, by the population of families. Added to this is the expenditure of people living in communities (retirement homes, prisons, religious orders, etc.) for acquisitions, in addition to any price paid for accommodation in the community.

The HBS provides data based on the concept of national final consumption (final consumption by Belgian households). As the supply and use table (SUT) is constructed on territorial lines, the figures have to be converted from the national to the domestic concept of final consumption (final consumption by households on Belgian territory), using balance of payments data. Tourist expenditure abroad by households resident in Belgium is not included in the HBS, whereas final consumption expenditure by non-residents in Belgium (from the balance of payments) is added to final consumption (of resident households) in Belgium.

Mainly administrative data are used for estimating the consumption of alcoholic beverages and tobacco products, purchases of cars and spending on health care.

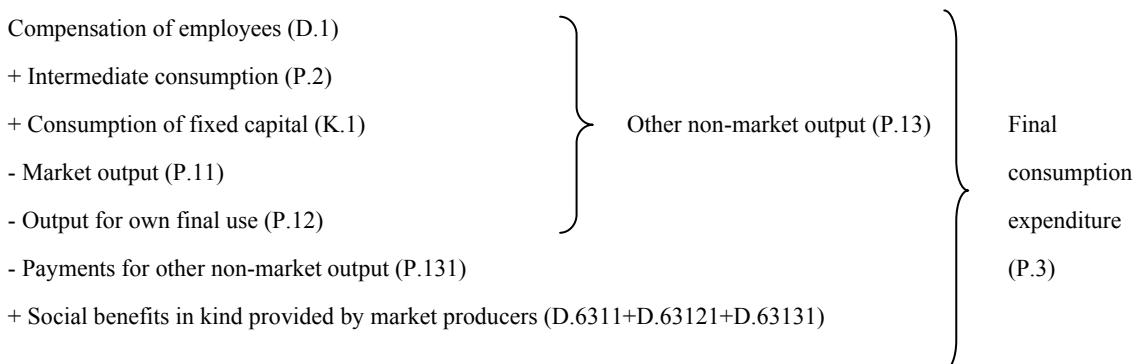
Whatever source of information is used, incorporating the first estimates in the supply and use table makes checking and adjustment possible, depending on the reliability of available figures.

1.5.2.1.2. Final consumption expenditure of general government (P.3_S.13)

This divides into separately identifiable final consumption (P.3_S.13), i.e. expenditure where the consumer is identifiable, and collective consumption (P.32_S.13). Separately identifiable final consumption, which is conventionally identified by means of a list of items in the Classification of Functions of Government (COFOG), includes expenditure on education, health, culture etc. Collective consumption, which comprises all other items in the COFOG classification, covers expenditure on the traditional "core" functions of the state (defence, justice, police, general administration) and a residue which includes non-market services to business and non-market services to households which relate to functions such as transport infrastructure which are not conventionally separately identified. Only general government are involved in collective final consumption (P.42=P.42S.13=P.32_S.13).

Individual consumption expenditure (P.31_S.13) includes general government expenditure on goods and services provided by market producers with a view to supplying them (without processing) to households as social transfers in kind (D.6311+D.63121+D.63131). In Belgium, the latter are particularly important, since all hospitals, rest homes, and reception centres for the disabled, whether privately or publicly owned, are market producers.

The following flowchart applies:



Most of these variables are calculated from the output perspective but are also used from the income perspective; those relating to "sales" and social benefits in kind are calculated from the expenditure perspective.

The main sources are accounting data from budget turn-outs, which may differ from one subsector to another: payment orders in the case of the Federal Government (S.1311) and the Communities and Regions (S.1312), spending commitments for local authorities (S.1313) and economic charges borne by social security agencies (S.1314).

The distinction between individual consumption expenditure (P.31_S.13) and collective consumption expenditure (P.32_S.13) is made at the time of compiling the final tables expenditure of general government by function and transaction.

1.5.2.1.3. Final consumption expenditure by NPISHs (P.3_S.15)

This is the sum of the non-market output (P.13) of NPISHs and their expenditure on goods and services provided by market producers with a view to supplying them to households as social transfers in kind (D.63131). Mainly administrative data are used for estimating the consumption of alcoholic beverages and tobacco goods, purchases of cars and spending on healthcare.

1.5.2.2. Investments

To estimate investments three main sources are used: the annual accounts, VAT returns and structure surveys. It is only for a few 'special' estimates such as investments in residential buildings, software and originals that other sources are also used.

Estimate per sector

Non-financial corporations (S.11)

To estimate the investments of sector S.11 the annual accounts and VAT returns are used. The annual accounts are the preferred source. In the absence of (usable) annual accounts the VAT returns are used. Depending on the category to which the unit belongs one or more adjustments are made that must correct the economic aggregates of investments so that they comply with the methodology of ESA 1995.

Financial institutions (S.12)

The investments of sector S.12 are estimated using two sources, depending on the subsector. For subsectors S.122 and S.125 the structure surveys of the financial sector are used while to estimate the investments in S.123 and S.124 the annual accounts from the Central Balance Sheets Office are used. To estimate the investments of the Central Bank (S.121) the annual accounts of the National Bank of Belgium are used.

General government (S.13)

For the general government sector the detailed government accounts are taken as a source to estimate investments.

Households (S.14)

To estimate the investments of sector S.14 two sources are used, depending on whether or not the units in these sectors submit a VAT return. In industries with VAT-registered units the estimate is based on the VAT returns; in industries for which no VAT returns are available the structure survey is used as a source.

Non-profit institutions serving households (S.15)

Sector S.15 investments are mainly estimated on the basis of the structure survey of associations.

Special estimates

Residential buildings

The estimate of investments in residential buildings is based mainly on three sources: the statistics on the number of buildings started, the statistics on the number of building permits issued and a survey among construction corporations (dwellings). By combining the quantity statistics (buildings started and building permits) with the price data from the survey among construction corporations we get an estimate of the total investments in residential buildings.

Software

Investments in software consist of two parts: purchased software and self-developed software.

To estimate investments in purchased software the data from the structure survey are used. To estimate self-produced software two types of data are used: the labour force survey and wage and salary data for computer scientists. The investments are then estimated by multiplying the number of people employed as computer scientists (or related activity) by the average wage cost for computer scientists. This result is then multiplied by 0.5 (computer scientists are assumed to spend half of their time on developing programs). Intermediate consumption and operating surplus are then added.

Entertainment, literary or artistic originals

Two methods of estimation are adopted depending on the existence or otherwise of royalties flows associated with these originals and managed by copyright management societies. Where copyright and related rights generated by a work are collected mainly via management societies, the output of

original works is estimated on the basis of the royalties paid by all the Belgian management societies to Belgian recipients. Where copyright or related rights are managed only partly or not at all by a management society, the output of original works is estimated on the basis of creation costs plus a net operating surplus.

1.5.2.3. Net exports of goods and services

External trade statistics (on imports and exports of goods) are incorporated in the balance of payments statistics.

The balance of payments statistics break down exports and imports of goods as follows:

- general goods (including contract work),
- repairs to goods,
- ships' stores,
- non-monetary gold.

The external trade statistics break goods down by SUT product.

The balance of payments has the following main headings for services:

- transport
- travel and subsistence expenses
- communication
- construction
- insurance
- financial services
- computing and information services
- licences and royalties
- other commercial services
- cultural and recreational services
- government services n.e.c.

1.5.3. Conclusion

For the various expenditure components all the possible sources are used, mainly via a direct method, to make initial estimates of the expenditure per product directly, which after integration of the supply and use table gives an exhaustive GDP.

1.6. INTEGRATION OF THE SUPPLY AND USE TABLE

An integrated calculation of GDP according to the output, expenditure and income approach is carried out within the framework of the supply and use table (SUT).

In view of the integration of information from various sources, the SUT is the most appropriate method for arriving at an exhaustive estimate of GDP.

1.6.1. Structure of the supply and use table

The work format of the SUT provides for more industries and products than the format for reporting to Eurostat. This permits a detailed analysis and adjustment of the statistical deviations between supply and use to be carried out. In practice the quantity and quality of source data still puts a restriction on the work format.

The reporting format provides for 60 *industries* (A60) that correspond with the 2-digit NACE classification. 125 sectors are used in the work format of the SUT. The delimitation of the industries took into account the Eurostat classification A60, the importance (turnover as criterion) of the various NACE-BEL 4-digit classes, the homogeneity of the SUT sectors, and the distinction between market and non-market activities.

The reporting format provides for 60 *products* (P.60) that correspond with the 2-digit CPA classification. The number of products in the work format is 326.

The goods in the SUT are usually defined in terms of CPA 4-digit, and the services according to CPA 3-digit. Exceptions are sometimes made to this rule depending on the relevance of the products for the Belgian economy, or for various technical reasons.

The structure of sectors and products reflects the increasing importance of services in the economy. More than 30% of the number of products relate to services. The percentage share of the service industries in the total number of industries is 46%

The different variables in the SUT are roughly classified as specified in the reporting format. For practical reasons further detail is sometimes appropriate.

ESA 1995 makes a distinction between *consumption expenditure* and *actual final consumption*. The first concept relates to who carries out the expenditure, the latter to who acquires the consumer goods or services. In the SUT the concept of consumption expenditure is used, while in the sector accounts

both concepts are presented. Because the consumption expenditure in the sector accounts is derived from the SUT, in the use table the following distinction is made:

- P.3_S.14 consumption expenditure by households;
- P.31_S.13 individual consumption expenditure by the general government;
- P.32_S.13 collective consumption expenditure by the general government;
- P.3_S.15 consumption expenditure by NPIs serving households.

In order to monitor what gross fixed capital formation (P.51) qualifies as a priority for netting and to maintain a link to the sector accounts, in the SUT work format the gross fixed capital formation (P.51) is classified by sectors. The amounts per sector and per product are obtained via a separate investment module where the distinction by industries is also available.

1.6.2. Data sources and initialisation

Output and intermediate consumption

ESA 1995 concept output (P.1) and its components (turnover, production for own final use and changes in inventories of finished goods and work in progress) is not immediately available as such in the data of producers, but can after various calculations be derived from these. The same applies for intermediate consumption and its components (acquisitions for intermediate consumption and change in inventory of materials and supplies).

For the various components of output and intermediate consumption, in the light of all the usable information (structure survey, Prodcum, external trade statistics), apportionment keys per product are calculated to as detailed an activity level as possible.

Other elements

The totals of imports and exports of goods and services and the apportionment keys per product, are determined on the basis of data from the balance of payments and external trade statistics.

To calculate the trade and transport margins, information from annual accounts and surveys is used.

Information on taxes and subsidies on products comes mainly from general government accounts.

The initial estimates of consumption expenditure by households (P.3_S.14), NPIs (P.3_S.15) and general government (P.3_S.13) come mainly from respectively the household budget survey, specific surveys and government accounts.

The information for calculating the initial estimate of investments comes mainly from the annual accounts (aggregates and apportionment by large categories) and from VAT returns (aggregates). The apportionment of aggregates by SUT products is carried out on the basis of the structure survey.

The components of value added are described in the income approach.

To be able to integrate the SUT in prices excluding VAT the VAT legislation was translated into percentages of non-deductible VAT per SUT product.

1.6.3. Balancing

The calculation of aggregates according to the concepts of the national accounts, the breakdown of these aggregates by the most accurate estimates possible for production, intermediate consumption and investments per product, the calculations per SUT product of trade and transport margins, taxes and subsidies on products, imports and exports, and the initial estimate of consumption expenditure, form an important part of the SUT integration method.

After initialising the data the imbalances between supply and use per product are investigated and adjusted in the balancing (or netting) phase, as a result of which the aggregates estimated initially may also change. Balancing ultimately leads to a consistent estimate of GDP according to the three approaches.

In principle all variables may be changed by balancing, and so there are no limitations with respect to the initialised amounts, or with respect to amounts published in a provisional version.

The income approach only plays a secondary part in balancing the SUT. The operating surplus (and mixed income) are after all calculated as a balancing item.

Balancing is carried out exclusive of VAT. During netting the VAT is constantly recalculated, which is necessary to calculate intermediate consumption at purchasers' price and which enables the VAT calculated to be compared with the VAT actually received.

When balancing the output and expenditure approach, adjustments are either made in the columns or in the rows/products. Flexible SUT software enables the relevant adjustments to be made during any stage of balancing in a reasoned (and so not mechanical) way.

Small differences between supply and use are eliminated in a final phase with an iterative method (RAS).

1.7. EXHAUSTIVENESS

Exhaustiveness of the GDP is obtained by extrapolating the results of sampling and other testing as correctly as possible for the population using registers, applying the definitions of ESA 1995 as accurately as possible, and more specifically including the underground economy in the calculation methods.

The underground economy consists of the black economy plus the illegal economy. The black economy consists of clandestine corporations plus unreported activities.

The illegal economy includes activities that according to the concepts of the national accounts fall within the production boundary, but are not legally permitted.

An important aspect for obtaining an exhaustive GDP is the performance of the register of production units. A directory is constructed from the DGSEI business register, in which at present only non VAT-registered enterprises which are unincorporated *and* have no staff are missing. The aggregates for these enterprises (which make up around 4% of GDP) are calculated via another register, namely the personal income tax return.

It can therefore be stated that the calculation of GDP via the output approach is based on an exhaustive register.

One of the transitional adjustments of the administrative aggregates for ESA 1995 aggregates concerns the extrapolation for the black economy. An overall adjustment per SUT sector is calculated by applying percentages to turnover and acquisitions for S.11 corporations and S.14 corporations separately, according to the NACE classification considered relevant within a SUT branch for a differentiated adjustment per activity.

As in most other European countries the black economy is most greatly developed in industries that supply the majority of their production to private individuals. This applies among other things for the construction industry (in particular for building installation and building completion), the retail trade, the maintenance and repair of motor vehicles, Hotels and restaurants, and other services to private individuals.

Application of ESA 1995 definitions is carried out in the output approach by a detailed estimate of all transitional components between the administrative aggregates and the aggregates according to the concepts of the national accounts.

1.8. TRANSITION FROM GDP TO GNI

The transition from GDP to gross national income (GNI) is based on data from the balance of payments and the financial accounts. The incomes from capital paid and received form the main component of primary incomes:

- the interest flows with the rest of the world are estimated via information from the financial accounts (outstanding amounts per percentage return)
- the dividends and reinvested profits paid to and received from the rest of the world are estimated by combining figures from the national accounts (for resident corporations) with figures from the balance of payments (for non-resident corporations).

1.9. FISIM: CALCULATION, ALLOCATION AND IMPACT ON GNI

The GNI increases as a result of the allocation of FISIM to users. This upward effect on the GNI must provisionally still be neutralised to determine the basis for the fourth source of resources. This negative adjustment corresponds with the amount of FISIM s included in the consumption expenditure of households, general government and NPIs.

2. REVISIONS POLICY AND PLANNING FOR PRODUCTION AND REVISION

2.1. REVISIONS POLICY

Revisions of published series are often inconvenient for users, but they are necessary because e.g. more recent and final source data become available, calculation methods are improved, or classifications change. Also European Directives, aimed at harmonising calculation methods, can lead to revisions.

The revisions policy must aim for the most harmonious balance possible between stability and quality.

Comparability over time, or the correct estimate of growth figures, has a higher priority than the correct estimate of absolute levels. This has consequences for the revisions policy and leads to a distinction between *current (or routine) revisions* and *occasional (or benchmark) revisions*.

2.1.1. Current revisions

These revisions are mainly caused by more exhaustive or more correct source data becoming available than was the case at the time of the first estimate. They therefore relate mainly to the last year calculated in a previous campaign. The revised series are available at a fixed time. In other words these are routine revisions.

Not all the possible revisions are made in the *annual accounts*, but only those that do not cause a break in the series. An exception to this is formed by revisions necessitated by adjustments that must be made immediately as a result of European Directives [e.g. Directives relating to excessive (general government) deficits; Directives relating to the contribution to the own resources of the European Union].

Current revisions, apart from those resulting from European Directives, are incorporated into the annual accounts up to the time when the last deadline for the reporting tables expired. The reporting tables and their deadlines are determined in the transmission programme for ESA95²⁰. The last deadline relates to the supply and use table, namely t + 36 months. This means that from this time no further current revisions are made, and that the GDP and the GNI are final until the next occasional revision. Should current revisions still be made this puts pressure on the timetable for production (cf. 2.2).

²⁰ Annex B - *Transmission Programme of National Accounts Data* - of Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community.

The revisions policy therefore contains a preventive component, namely the assessment of sources whose timeliness must be improved in order to minimise current revisions. In any case one must avoid final source data for year t not yet being available in t+24 months. For then the final version of the SUT for year t is being started.

The availability of some source statistics has been speeded up in recent years (e.g. annual accounts for hospitals). For some source statistics when drawing up the accounts for the last year exhaustive or final data will never be available (e.g. annual accounts for non-financial corporations). Also the final files for personal taxation (used to estimate the value added and mixed income of some S.14-industries) become available very late. It will therefore never be possible to avoid current revisions in view of the provisional character of a large part of the source material used to estimate years t-1 (provisional figures) and t-2 (semi-final figures) in t.

The current revisions for the *quarterly accounts* are discussed below (cf. 2.2).

Changes in the reference year (the year for which an index = 100 is set) for the series in volume are, in accordance with the view of Eurostat, regarded as current revisions, in spite of the fact that this rebasing concerns lengthy periods and is not necessarily applied regularly.

2.1.2. Occasional revisions

For the period for which no further current revisions are made new data may also of course become available or better methods may be developed after the completion of current revisions. The resultant revisions are however only made occasionally.

Occasional revisions may also originate from the application of new concepts (e.g. ESA 1995) or changes in classifications.

For occasional revisions there is neither a predetermined regularity, nor a previously specified period to which the revision relates.

All possible revisions, other than current revisions, that have been determined since a previous occasional revision, are made together. This means that the levels of a number series may undergo considerable changes.

If e.g. in year t an occasional revision is made, in principle all the tables for all years for which the national accounts are drawn up are eligible for revision. If this period is very long, it may however be necessary for practical reasons to select a few benchmark years for the years before t-5 (or t-10).

Detailed calculations are then carried out for each benchmark year, and for each year later than the last benchmark year. Years between benchmark years are interpolated. As a general rule occasional revisions go back as far as possible in time to maintain long consistent series.

2.2. TIMETABLE FOR PRODUCTION AND REVISION

Annual accounts

The production schedule for annual accounts is as follows:

Year t (*)	Tables per industry T3	Sector accounts T8	Supply and use table (SUT) T15/16
Jan	t-3		t-3
Feb.	final		final
March		t-3 final	
April	t-2	t-2	
May	semi-final	semi-final	
June		(**)	t-2 provisional
July			
Aug.	t-1 provisional	t-1 provisional	
Sep.			
Oct.			
Nov.			
Dec.			

(*) Table number used in Annex B of ESA 1995 transmission programme.

(**) In June the semi-final government accounts for t-1 are available.

In other months work is carried out on methodology corrections, occasional revisions and other tasks.

The timetable for production of the supply and use table and the derived tables (final tables per industry for year t-3, table of consumption functions of households) is put under pressure if *current revisions* for year t-3 are made after t+3 months²¹.

Revision of variables in the sector accounts that do not occur in the SUT in principle cause fewer problems.

The most recent occasional revision in Belgium was carried out in September 2005. The following table shows the impact of this revision on GDP and GNI in millions of euros and in percent for final years.

²¹ The deadline for reporting is t+36. but as seen in the above table in practice the SUT must be available more quickly.

GDP and GNI before and after revision

	1995	1996	1997	1998	1999	2000	2001
Before revision (I)							
GDP	202 129	206 938	217 146	225 231	235 683	247 924	254 153
Net primary incomes received from ROW	4 170	4 125	4 296	4 804	4 858	4 669	4 547
GNI	206 299	211 063	221 442	230 035	240 541	252 593	258 700
After revision (II)							
GDP	207 782	211 399	221 184	229 572	238 233	251 741	258 884
Net primary incomes received from ROW	3 608	4 159	4 579	4 170	4 664	5 694	3 922
GNI	211 390	215 558	225 763	233 742	242 897	257 435	262 806
Effect of the revision (II-I)							
GDP	5 653	4 461	4 038	4 341	2 550	3 817	4 731
Net primary incomes received from ROW	-562	34	283	-634	-194	1 025	-625
GNI	5 091	4 495	4 321	3 707	2 356	4 842	4 106
GDP	2.8 %	2.2 %	1.9 %	1.9 %	1.1 %	1.5 %	1.9 %
Net primary incomes received from ROW	-13.5 %	0.8 %	6.6 %	-13.2 %	-4.0 %	22.0 %	-13.7 %
GNI	2.5 %	2.1 %	2.0 %	1.6 %	1.0 %	1.9 %	1.6 %

Quarterly accounts

As regards *routine revisions*, it is appropriate to distinguish between the most recent quarters in a year for which no annual estimate is yet available and previous quarters in a year for which an annual estimate has already been published:

- quarters not in a year for which an annual estimate has already been published²² ²³ may be revised for each quarterly publication, without any threshold of meaningfulness, so that users have short-term information which is as complete and accurate as possible;
- quarters in a year for which an annual estimate has already been published can only be revised once a year, in conjunction with the publication of the detailed annual accounts (in October)²⁴. The econometric method used in the quarterly accounts (based on the statistical link between the annual values for the quarterly indicators and the annual accounts) is such that an amendment relating to a single year impacts on the entire quarterly series (once the adjustment coefficients have been revised). As such frequent revisions of historical data may be a nuisance for users, it was decided to

²² Irrespective of whether the estimate is obtained from the quarterly accounts themselves (publication of annual estimate derived from quarterly accounts in April) or is a full annual estimate (publication of detailed accounts in October).

²³ These quarters are:

- in the January publication of year t: quarters 1, 2 and 3 of year t-1
- in the April publication of year t: quarters 1, 2, 3 and 4 of year t-1
- in the July publication of year t: quarter 1 of year t
- in the October publication: quarters 1 and 2 of year t

²⁴ If this were not the case, there would be a discrepancy between the annual and quarterly accounts.

confine the revisions of quarterly accounts to the most recent years for which the annual accounts themselves have been amended.

Seasonally adjusted data are a special case in that merely adding a quarter has a systematic impact on seasonal coefficients and changes the whole time series. For the same reasons as above, it was decided to confine revision of the seasonally adjusted series to quarters which fall in a year for which the annual accounts have been adjusted.

Occasional revisions of the quarterly accounts are carried out at the same time as occasional revisions of the annual accounts.

3. THE OUTPUT APPROACH

3.0 GDP ACCORDING TO THE OUTPUT APPROACH

The following table shows the importance of industries (A17) and institutional sectors in the Belgian economy.

Value added per industry and institutional sector

B.1g, 2003 (millions of euros)

A17	S.11	S.12	S.13	S.14	S.15	S.1
A	609.3			2 076.0		2 685.3
B	64.7			3.3		68.0
C	314.4			1.2		315.6
D	41 988.6		32.7	728.9		42 750.2
E	5 822.9			0.0		5 822.9
F	9 814.2			2 123.6		11 937.8
G	28 671.0		-0.7	2 864.5		31 534.8
H	2 767.7			1 325.4		4 093.1
I	15 902.8		3 804.2	301.5		20 008.5
J	13 930.7			378.1		14 308.8
K	25 010.7			28 987.3	74.2	54 072.2
L		18 226.4				18 226.4
M	222.1	15 981.4		15.5	179.9	16 398.9
N	13 537.0			2 638.9	758.5	16 934.4
O	3 523.3		424.5	690.8	982.0	5 620.6
P				909.0		909.0
Total	148 248.7	13 930.7	38 468.5	43 044.0	1 994.6	245 686.5
D.21						31 445.5
D.31						-2 474.2
GDP						274 657.8

3.1. REFERENCE FRAMEWORK

3.1.1. Business register and directory

The estimate of GDP from the output side is largely based on the *business register* compiled by DGSEI. This database includes all²⁵ economic agents active in Belgium. The basic information for preparing this register is supplied by a number of administrative services (VAT, NSSO, National Register) that manage partial files of units for their own purposes (respectively VAT-registered enterprises, enterprises with employees and legal bodies²⁶). By linking the identifiers present in these source files DGSEI obtains the business register.

Based on this register the NBB constructs a '*directory*' in which the identification number(s) of enterprises (corporations, self-employed persons, NPIs) are included as well as the main characteristics of each unit:

- NACE-BEL code²⁷ (determines the industry a unit belongs to);
- institutional sector code (determines the institutional sector a unit belongs to);
- category (determines which source is used to estimate the activity of the unit).

Sectoral breakdown of business register

The attribution of sector codes to units in the business register is largely automated, although some units have to be classified manually. The sector classification criteria for units in the directory are as follows:

- all incorporated units (legal persons), other than non-profit institutions and units in NACE 65, 66 and 67, are classified to sector S.11;
- all units which are physical persons are classified to sector S.14;
- the only unit in NACE 6511 (the National Bank of Belgium) is classified to sector 121;
- units in NACE 6512 are classified to sector S.122. Lists compiled by the Banking and Finance Commission as the supervisory body for credit institutions are used to verify the accuracy and exhaustiveness of this sector;
- legal persons in NACE 652 are classified to sector S.123, physical persons to S.14;

²⁵ It does not yet include enterprises which are not liable for VAT, do not have legal personality and have no employees (e.g. lawyers, notaries and medical practitioners).

²⁶ Corporations and non-profit institutions.

²⁷ NACE-BEL is the Belgian version of NACE (Rev.1) and is identical to it down to the 4-digit level, but contains a further subdivision of classes into subclasses (5 digits) (cf. 10.1.1). Where there is no danger of ambiguity, the abbreviation "NACE" is sometimes used instead of "NACE-BEL".

- units in NACE 66 are classified to sector S.125. Lists obtained from the Insurance Supervision Office as the supervisory body for insurance enterprises and pension funds are used to verify the accuracy and exhaustiveness of this sector;
- legal persons in NACE 67 are classified to sector S.124, physical persons to sector S.14.

The units classified to sector S.13 are determined on the basis of an exhaustive list compiled by the Institute of National Accounts (cf. 3.1.4.2).

The classification of associations²⁸, especially NPIs, as either market producers (S.11) or non-market producers (S.13 or S.15) can have a major impact on the level of GDP. Their sectoral breakdown is therefore done separately, much of it manually (cf. 3.1.5).

3.1.2. Non-financial corporations and households (S.11 and S.14)

The calculation methods make maximum use of administrative data. The main sources are the annual accounts filed by non-financial corporations (S.11), VAT returns of VAT-registered enterprises (S.11 and S.14), National Social Security Office returns submitted by employers (S.11 and S.14) and personal income tax returns (S.14). All individual returns are stored in a 'company database'²⁹.

Annual accounts

In Belgium virtually all limited liability corporations (public limited companies, private limited companies, limited partnerships, etc.) must publish their accounts by filing them with the Central Balance Sheets Office of the National Bank of Belgium in accordance with a standardised accounting schedule provided by law. The annual accounts file is therefore the preferred source for estimating ESA 1995 aggregates from the production and primary generation of income account of non-financial corporations.

Large corporations must file a 'full' accounting schedule, SME corporations may file an 'abridged' accounting schedule. These reporting schedules are in fact data extracts from the internal financial accounting of corporations where large corporations must provide more information than SMS corporations. All companies with a turnover of more than EUR 0.5 million must follow the 'Minimum Standardised Accounting System'. This chart of accounts (introduced by Royal Decree in 1983) is the concrete operational implementation of the legislation on accounting and annual accounts of enterprises that dates from 1975.

²⁸ The continuing text will refer generally to non-profit associations only. Other, less common legal forms are treated in the same way (foundations, public utilities, scientific organisations, etc.).

²⁹ This is not yet the case for personal income tax returns because persons practising the liberal professions who are not liable for VAT and do not have employees are not included in the business register yet.

The accounting legislation specifies the content of the various headings from the balance sheet and profit and loss account (income and charges) (cf. 11.1.2). In this way 'commercial accounting' variables can be translated into national accounting aggregates (ESA 1995 variables).

The use of annual accounts information provides clear advantages:

- the 'primary input' of the national accounts is drawn up according to concepts that are relevant for, and known by, the data suppliers (commercial accounting);
this information is standardised and can be converted into the concepts specified by the national accounts (ESA 1995 aggregates);
- in most industries the coverage of the annual accounts file is very great and only a small proportion of the total value added has to be extrapolated via other sources;
- the 'formal' quality of the annual accounts data is guaranteed because they must comply with a number of checks provided by law (since 1991): these are arithmetic and logical checks on the data indicated in the balance sheet, the profit and loss account and the notes;
- the dependence on survey data to estimate the main aggregates is very limited;
- the integration of the real and financial accounts is easier because the same sources are used.

VAT returns

The activity (supply of goods and provision of services) of most non-financial enterprises falls under the VAT system. Only a limited number of activities are exempt from VAT (legal services, medical services, renting of real estate, etc.).

Depending on their size all enterprises (corporations, self-employed persons, non-profit institutions) that fall within the scope of VAT must submit a monthly (annual turnover > EUR 1 million)³⁰ or a quarterly VAT return (annual turnover < EUR 1 million). On the basis of this return the tax authorities prepare their claim or debt for VAT with respect to the enterprise in question.

From the VAT returns the turnover (proxy for P.1), current purchases of goods and services (proxy for P.2) and acquisition of capital goods (proxy for P.51) can be deduced. The information on turnover and current purchases is used in most industries to estimate the value added of VAT-registered units classified to S.14. and to compute the activity of corporations for which no (usable) annual accounts or business structure surveys(SBS) are available.

Advantages of using VAT data are the high coverage , rapid availability and reasonable quality.

³⁰ This limit is EUR 200,000 for traders in fuels, gsm's, pc's and accessories and cars.

NSSO and NSSOPLA returns

All employers established in Belgium must each quarter submit a return to the administration of the National Social Security Office (NSSO)³¹ or to the National Social Security Office for Provincial and Local Authorities (NSSOPLA)³². On the basis of this the social contributions payable are calculated. The information given in these returns also allows the compensation of employees (D.1) to be calculated.

The wages and salaries bill is used to estimate the value added of corporations with no annual accounts and of NPAs classified to S.11 active in certain service industries.

Personal income tax returns

The activity of some liberal professions is exempt from VAT. For these S.14 units the value added is estimated via the personal income tax return. From these returns the 'income from a liberal profession' (proxy for P.1) and the professional expenses (proxy for P.2) are deduced.

Linking source data and directory

Aggregates can be calculated on the basis of variables available in the different sources. An aggregate is a total amount for a certain variable calculated for a certain group of units on the basis of a certain source for a certain period (e.g. the total turnover according to the VAT returns of corporations classified to S.11 belonging to the industry NACE 181 for 2003).

The aggregation of variables present in the different source files is always carried out on the basis of the characteristics (NACE code, sector code) included in the directory³³. This procedure ensures that the results obtained are comparable with one another.

This facilitates meaningful comparisons of, say, the turnover and total wage bill as stated in various sources (VAT and annual accounts on the one hand and NSSO and annual accounts on the other) for large corporations in a given industry.

³¹ Law of 27 June 1969 and Royal Decree of 28 November 1969.

³² Law of 1 August 1985 and Royal Decrees of 25 October 1985 and 15 July 1986.

³³ This overcomes the problem that different administrations (NSSO, VAT authority, Central Balance Sheet Office, DGSEI) attribute NACE codes (for their own purposes) which are not necessarily the same for a given enterprise.

3.1.3. Financial institutions (S.12)

The calculations for financial institutions (NACE J) are based on annual accounts for corporations of NACE 65 (financial institutions) and NACE 66 (insurance industry). For activities auxiliary to financial institutions (NACE 67) annual accounts and NSSO data are used.

The sources used are described in detail in the calculation of value added (cf. 3.16).

3.1.4. General government (S.13)

3.1.4.1. Definition and scope of the general government sector

The general government sector (S.13) comprises all institutional units which are "other non-market producers" with output intended for individual and collective consumption and which derive the major part of their resources from compulsory contributions by units in other sectors, and/or all institutional units whose main activity consists in the redistribution of income and national wealth (ESA 1995, §2.68).

The institutional units classified to sector S.13 are:

- * public-sector administrative bodies that manage and fund a range of activities which mainly entail providing society with non-market goods and services;
- * non-profit institutions with legal individuality which are "other non-market producers" and are controlled and mainly funded by general government;
- * autonomous pension funds to which certain population groups belong to by law and for which general government is responsible for setting or approving contributions and benefits, independently of their role as supervisory authorities or employers.

For a unit to be classified to this sector, the following questions need affirmative answers:

- * Is the unit in question an institutional unit³⁴?
- * Is it a public-sector unit³⁵?

³⁴ A unit is deemed to be an institutional unit if it has decision-making autonomy with respect to its main functions and keeps full accounting records or is able to compile adequate records if so required from an economic and legal perspective. If the unit is not an institutional unit, it must be included with the institutional unit under which it comes.

³⁵ An enterprise is deemed to be a public enterprise within the meaning of ESA 1995 if a public sector administration owns more than half of its voting shares or otherwise controls more than half of the shareholder votes. A public sector unit may also control an enterprise under legislation empowering it to determine the enterprise's policy or appoint its managers. The same applies, *mutatis mutandis*, to non-profit institutions.

- * Do its sales cover at least 50% of production costs?³⁶

The terms "sales" and "production costs" are used within the meaning of ESA 1995, not in their ordinary legal or administrative sense.

3.1.4.2. Interfaces with other sectors

In Belgium, the exhaustive list of public bodies in the general government sector is updated annually by the Institute of National Accounts (INA), with the assistance of the Group of Experts of the General Documentary Base³⁷ created under a cooperation agreement between the State, the Communities, the Joint Community Commission and the Regions. The delineation of the general government sector is therefore based on the list of the units it comprises which have been individually verified as meeting ESA 1995 criteria (sales not covering 50% of production costs).

The basic principle adopted for the purpose of attributing a category of units to the general government sector or to other sectors is as follows: when it is not possible to attribute a nominative list of individual units to the general government sector, all the units are attributed to other sectors. This applies particularly to non-profit institutions (NPIs) and to non-market multi-commune utilities (MCUs). However, various NPIs and MCUs are placed in the general government sector:

- * subsidised private schools (most of them have NPI status, but some are 'de facto associations');
- * NPIs and MCUs individually verified as meeting ESA 1995 criteria (see list).

Difficult cases are resolved by applying the principles set out in the "ESA 1995 Manual for Public Deficit and Public Debt", second edition, published by Eurostat in 2002.

The following units are deemed to be quasi-corporations and included in the non-financial corporations sector (S.11) or the financial corporations sector (S.12):

- * provincial and municipal undertakings;
- * hospitals and rest homes run by PSWCs;

³⁶ To attribute a sector code to a unit in ESA 1995, it is therefore essential to have that unit's annual accounts (or other accounting records) for several successive years. In the case of newly created units which have not yet been able to publish annual accounts, it was decided that a provisional sector code should be attributed on the basis of other available information (e.g. articles of association and/or budget forecasts) subject to subsequent examination of the first annual accounts of the unit in question. When these become available, the 50% criterion is applied and the unit is given a sector code retroactively, i.e. after the date of its creation.

³⁷ The administration of the General Documentary Base (GDB) is done by the Macrobudget Department of the Federal Budget and Management Control Ministry. The purpose of the GDB is to manage public finance statistics (revenue and expenditure), to set criteria for their uniform compilation by each of the entities and to pass the statistics supplied to it on to NAI for incorporation in the macro-economic framework of the national accounts. The GDB's annual report is supplied to the Interministerial Finance and Budget Conference.

- * mutual organisations that manage prenuptial savings;
- * mutual organisations that manage optional insurance (low-risk health care for the self-employed) and supplementary insurance (covering hospitalisation, medical care abroad, etc.).

3.1.4.3. Composition of the general government sector

Under ESA 1995 methodology, the general government sector (S.13) comprises four subsectors:

- * central government (S.1311) called "Federal Government" in Belgium;
- * federated state administrations (S.1312) referred to in Belgium as " Communities and Regions" , viz. the French, Flemish³⁸ and German-speaking Communities, the Walloon and Brussels Capital Regions and the French, Flemish and Joint Community Commissions, including private education in the broad sense³⁹;
- * local authorities (S.1313) comprising the 10 provinces, the 589 communes (excluding their *de jure* municipal undertakings), the 589 PSWCs (excluding their hospitals and rest homes), the 196 police zones, the Brussels conurbation, the polders and water authorities and MCUs not producing market services⁴⁰;
- * social security administrations (S.1314), comprising the central and primary agencies of the various social security schemes⁴¹ for employees and the self-employed, including social protection funds, the Business Closures Fund and the Overseas Social Security Office, but excluding holiday pay and optional insurance schemes⁴². The medical care insurance bodies of the Flemish Community are also part of this subsector.

³⁸ The Flemish Community covers also the Flanders Region.

³⁹ This includes subsidised private education, independent education (currently only non-university higher education in the Flemish Community) and vocational training for the self-employed.

⁴⁰ *De jure* municipal undertakings, PSWC hospitals and rest homes, MCUs producing market goods and services and "Chapter XII associations" (Articles 118-135 of the Consolidation Act on Public Social Welfare Centres of 8/7/1976) are included in the non-financial corporations sector (S.11). Church workshops are classified under non-profit institutions serving households (NPISHs: S.15).

⁴¹ Sickness/disability insurance, family benefits, pensions, early retirement pensions, unemployment, occupational diseases and industrial accidents for employees, and sickness/disability, family benefits and pensions for the self-employed.

⁴² The bodies which manage holiday pay funds come under the Federal Government, whereas the sections of mutual organisations which manage optional insurance schemes are deemed to be quasi-corporations and are part of the financial corporations sector. In addition to compulsory insurance, mutual organisations also manage optional insurance and supplementary sickness/disability insurance, comprising:

- optional health care insurance, also known as "minor risks" insurance for the self-employed;
- supplementary insurance (daily allowances, hospitalisation, transport of sick persons, medical care abroad and various other services) which may or may not involve compulsory membership (depending on mutual organisation and type of service);
- prenuptial savings.

3.1.4.4. Main data sources

3.1.4.4.1. Federal Government, Communities and Regions

The analytical source is an *economic regrouping* of the expenditure and revenue of each of these entities, based on economic concepts (consumption, transfers of income, investments, etc.) of the budgetary and similar transactions of the entity concerned. The scope of economic regrouping is therefore not confined to budget transactions, but extends to non-budget transactions such as prefinancing, and to transactions by autonomous bodies and funds.

These economic groupings are compiled by the budget departments of the bodies in question⁴³ and are then forwarded to the secretariat of the General Documentary Base created under an agreement between the State, the Communities, the Joint Community Commission and the Regions, which makes them available to the Institute of National Accounts.

Up to and including 1995, the Federal Government used the *Benelux economic classification* of the expenditure and income of general government (Benelux 1964). From 1996 to 1998, the Federal Government codified its transactions on the basis of the Benelux economic classification of the expenditure and income of general government (Benelux 1981⁴⁴, version adapted for Belgium in May 1992), which was itself based on the European System of Integrated Economic Accounts (ESA 1979). The Communities and Regions used a version of this latter classification from 1989 on. Since 1999, a new classification, adapted to ESA 1995, has been used: the Benelux 1981 economic classification, version adapted to ESA 1995 for Belgium (initially of March 1998, subsequently October 2000). From a national accounts perspective, various adjustments had to be made to the basic data to bring them into line with ESA 1995.

In addition to the economic regrouping, there is also a *functional regrouping* of the tasks of general government in terms of their purpose (general administration, national defence, education, etc.). The advantage of this classification is that it is constant over time and unaffected by changes to ministerial competences or to the allocation of tasks among the various administrations.

Combining the economic and functional groupings makes it possible to compile cross tables of the expenditure of the various general government subsectors by function and transaction.

Up to and including 1995, the Federal Government used the *Benelux functional classification* of the expenditure and income of general government (Benelux 1972). Since 1996 it has classified its

⁴³ Taking our recommendations into account.

transactions on the basis of the Benelux functional classification of the expenditure and income of general government (Benelux 1989⁴⁵). It was within this nomenclature that the Communities and Regions constructed their first functional groupings, using the data for 1995 to 1997. Their respective tables of "Expenditure of general government by function and transaction" for the period 1990-1994 were therefore constructed by retropalation using partial data. Since 2004 a new functional classification, COFOG 1998⁴⁶, which classifies the functions of general government under ESA 1995⁴⁷ has been used.

3.1.4.4.2. Local government

The expenditure and revenue of provinces, communes, the Brussels and Walloon PSWCs, police zones and the Brussels conurbation were set out in budgets and accounts in accordance with the Benelux economic classification of the expenditure and income of general government (Benelux 1964) and the Benelux functional classification of the expenditure and income of general government (Benelux 1972). The latter resulted in data not fully compatible with ESA 1995, and it again proved necessary to make new breakdowns in line with the latter. Since 2003 all of the Flemish PSWCs have been using a new form of accounting based on the general accounting of businesses.

⁴⁴ The Benelux economic classification provides data for use in the national accounts. It was published in Belgian Official Gazette No 229 of 1 December 1981.

⁴⁵ Published in Belgian Official Gazette No 19 of 24 January 1990.

⁴⁶ COFOG is the acronym for "Classification of the Functions of Government", a functional classification devised by the United Nations. It was revised in 1998 in the light of SNA93.

⁴⁷ The classification units in the functional classification, like those in the economic classification, are individual transactions. In other words, every purchase, salary payment, transfer or other item of expenditure is given a functional COFOG code, depending on the purpose of the transaction. It is recommended that this principle be strictly applied to capital transfers and current transfers, and to the acquisition of financial assets. For most other expenditure it is not generally possible to use transactions as classification units. COFOG functional codes have to be attributed to programmes of activity, directorates, agencies, offices, administrative units and other units of the same type belonging to government departments. All expenditure items of a particular unit (other than transfers and acquisition of assets) are given the same functional code.

Where government bodies, rather than transactions, are used as classification units, it is possible that even the smallest bodies which can be identified in the national accounts may exercise more than one COFOG function. It is sometimes possible to break down the expenditure of multi-function bodies between COFOG functions on the basis of information about their expenditure, but in most cases the best that can be done is to attribute all their expenditure to the function which appears to represent the largest part of their total expenditure.

In the economic classification, it is compulsory for the classification units to be individual transactions (there can be no question of derogating from this principle) and if a budget heading contains several basic transactions, it must be broken down into as many economic codes as there are basic transactions.

This means that the functional classification is constructed with less precision than the economic classification, which is therefore the focus of close attention by the staff responsible for constructing these classifications.

In the functional classification, functions are delineated purely by convention, and any error under a particular heading is automatically compensated for under another heading, i.e. it has no impact on the economic aggregates (public consumption, deficit, GDP, etc.).

As there is currently no centralised electronic database on the budgets and accounts of the main local authorities (provinces, communes, PSWCs and police zones), information on the units of this subsector is gathered by surveys⁴⁸.

The results of various surveys are used to compile the local government tables in line with ESA 1995.

First, detailed data were already available from the 1990 accounts of a sample of 150 out of Belgium's 589 communes⁴⁹. This sample was stratified according to two criteria: the geographical entity at province level to which the commune belongs, and the size class of commune as measured by its total expenditure. The results of the sample were extrapolated for each stratum on the basis of population. Detailed data were also obtained from the PSWCs of the same sample and were then extrapolated in the same way. Full use was also made of the accounts of the provinces.

Second, a survey carried out by the Belgian National Bank in 1997 applying ESA 1995 methodology provides data on the 1995 accounts and the 1996 and 1997 budgets for a sample of 200 communes (and their PSWCs) selected by the same procedure as described above. Extrapolations from this survey were used as basic data. The same data are also available for each of Belgium's 10 provinces.

Third, a survey covering 1998, 1999 and 2000 was done in 2001. As the accounting of PSWCs was then undergoing revision, its application was not uniform throughout Belgium. It therefore seemed pointless to gather unstandardised and disparate information on PSWC budgets but pertinent to evaluate their amounts via other sources (Dexia-Banque⁵⁰ studies of local authority finances, or federal and community budgets)⁵¹. The scope of the 2001 survey was also deliberately confined to the Walloon Region (80 out of 262 communes which had already been covered by the 1997 survey), the 19 communes of the Brussels-Capital Region and the 10 provinces. Since 1998, the Flemish Community has used information technology to centralise and encode all the accounts of its 308 communes, making the accounts for 1998 to 2003 available in full on CD-ROM.

Fourth, a survey covering 2001 to 2003 was done in 2004, similarly confined deliberately to the aforesaid 80 communes of the Walloon Region and the 19 communes of the Brussels-Capital Region.

The information for provinces and PSWC's was obtained from other sources (Dexia-Bank studies on local finances or federal, community and regional budgets).

⁴⁸ The NAI is aware that there are gaps in the gathering of the basic data for compiling the accounts of local authorities. The NAI and the Higher Finance Council have brought this problem to the notice of the political authorities that supervise local government in order to find a solution.

⁴⁹ Survey carried out by the DGSEI in 1992.

⁵⁰ Previously "Crédit Communal de Belgique".

These various surveys gathered information at the most detailed level possible, i.e. the level of budget items.

As regard the 196 police zones, budget data in the form of a summarising table for 2002 to 2005 were received from the Federal Interior Ministry, which gathers them from police zones, and/or were found in Dexia-Banque's studies on local authority finances.

The main kinds of revenue of local authorities are known via the higher authorities (tax revenues levied on behalf of provinces and communes, current and capital transfers from higher authorities). Data extrapolated from the survey are particularly useful on other forms of revenue and on current expenditure.

The estimates for the years for which survey data are not available are based on other sources such as transfers from supervisory authorities (e.g. subsidies from the Communities to finance the wages and current expenditure in education, outstanding debts and assets recorded in financial accounts, payroll data from the National Social Security Office of Provincial and Local authorities (NSSOPLA) or data from the annual study of local government finances by Dexia-Banque.

The table below summarises the nature of the data used for compiling the 2005 public-sector accounts and the notification of 1 October 2006.

Basic data available (as of October 2006)

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003
Provinces	accounts	accounts	budgets	budgets	accounts	budgets	budgets	-	-	-
Communes	accounts	accounts	budgets	budgets	accounts	accounts/	accounts/	accounts	accounts/	accounts/
						budgets	budgets		budgets	budgets
PSWCs	accounts	accounts	budgets	budgets	-	-	-	-	-	-
Police zones	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	budgets (summary)	budgets (summary)

With the clear exception of the Flemish Community's PSWCs, the budgets and accounts of local authorities are codified according to an old version of the Benelux economic classification (Benelux 1972 economic classification of expenditure and revenue).

⁵¹ 126 out of the 308 Flemish PSWCs are changing to general accounting and giving up the budgetary accounting that is still maintained by PSWCs in the other Regions.

While the data of budgets voted are used in the same way as the data of budgets implemented, i.e. those of the accounts, the same does not apply to current transactions, and another source is systematically used for estimating the gross fixed capital formation of local authorities.

As regards budgets, it was found that a cautious financial policy applies generally to current revenue (slight under-estimation) and to current expenditure (slight over-estimation), with the result that budget data generally give a more pessimistic picture than accounts data.

Unlike current transactions, budgets do not provide a really true picture of realised investments. The low rate of actual implementation of budgeted investments is due to numerous deferrals for technical, legal and financial reasons. Investments by local authorities have for decades been estimated on the basis of an annual survey by Dexia Bank.

These annual surveys break investments down into those funded by borrowing (amounts made available) and those funded by subsidies from higher authorities. These amounts are extrapolated to allow for self-financing (drawings from reserves, sales revenue, surpluses).

In 2005, Dexia gave up producing its survey and based its annual study on data from the accounts of communes up to 2003 and their budget forecasts for 2004. As the accounts are finalised very late, those for 2004 were not yet available. In the national accounts it then became necessary to estimate the previous year's investments by local authorities on the basis of less sound budget information than the data previously available.

3.1.4.4.3. Social security administrations

Most of the data used to compile the accounts of social security agencies are from the social security economic accounts (formerly the "General Report on Social Security") published by the Federal Ministry of Social Security.

The social security economic accounts comprise general accounts in the form of a comprehensive presentation of the classes of expenditure and proceeds under the accounting plan of social security agencies (both those which collect contributions and those which pay benefits). Expenditure and income are broken down by the various social security "fields"⁵².

This document is useful for compiling the accounts of social security administrations because it also contains all semi-state social security bodies and records transactions from an accruals perspective.

⁵² These "fields" correspond to the social risks covered by social security.

3.1.5. Non-profit institutions serving households (S.15)

3.1.5.1. Sectoral breakdown of units in S.15

What practical criteria are applied when attributing units in the directory to sector S.15 in line with ESA 1995 definitions? Conforming to those definitions to the letter would require annual accounts from every non-profit association (NPA) operating on Belgian territory, which is impossible because they do not file accounts with the NBB's Central Balance Sheets Office. For want of a better solution, it was decided to attribute these associations to sectors on the basis of their activities. The following table shows the links established between the NACE categories and the sector to which an institutional unit should be classified. The link is usually unambiguous, but case-by-case classification is necessary for associations in NACE 73 (research and development), 80.**5 (international education), 80.42 (continuing and other forms of education), 85.323 (other social work activities without accommodation), 85.316 (other social work activities with accommodation), 92.5 (other cultural activities) and 92.621 (activities of sports clubs and sporting associations).

- * Non-profit associations in NACE 01 to 72 and 74 are classified as market producers (S.11). Exceptions comprise:

- abbeys, monasteries and cloisters, which are classified to S.15 (although the Abbeys of Chimay, Westmalle, etc., which are genuine producers, are classified to S.11);
- boarding schools, which are classified to S.13 together with education;
- the French Community's Media Resources Centre, which is classified to S.13;
- foundations and some obvious cases of incorrect NACE code attribution, which are classified to S.15;
- non-profit associations in NACE 65 and 66, which are attributed to S.12.

The many NPAs classed as cafés or restaurants (parish halls, sports clubs, etc.) are left in S.11.

Only their market activity is recorded in the national accounts.

- * Non-profit associations in NACE 75 (general government) are part of sector S.13. They include mutual organisations and family allowance or holiday pay funds. Non-profit associations in NACE 80 (apart from 80.**5: private schools) are also classified to S.13.

- * NPAs in the following NACE divisions:

- 85.1 human health activities;
- 85.2 veterinary activities;
- 85.311 institutions for disabled children;
- 85.313 institutions for children in difficulties;
- 85.314 institutions for disabled adults;
- 85.315 rest homes for the elderly;
- 85.321 creches;

85.322 sheltered workshops and day centres for the disabled;
 90 sewerage, refuse collection and waste management;
 91.1 activities of employers', business and professional organisations;
 92 (except 92.5 and 92.621) recreational, cultural and sporting activities, and
 93 personal services

are classed as non-financial corporations (S.11). School medical centres are classified (together with education) to the general government sector (S.13).

* Associations in NACE:

91.200 trade unions,
 91.310 religious organisations and
 91.320 political organisations

are all classed as non-profit institutions (S.15).

* NPA's in NACE:

73 (research and development),
 80.**5 (international education),
 80.42 (continuing and other forms of education)
 85.316 other social work activities with accommodation
 85.323 other social work activities without accommodation,
 91.330 other membership organisations,
 92.5 other cultural activities (libraries, museums, heritage, botanical gardens, zoos, nature reserves, etc.) and
 92.621 activities of sports clubs and sporting associations

are classified on a case-by-case basis.

Non-profit associations in NACE-BEL 85.323 and 85.316 are classified to S.15, except:

- NPAs providing domiciliary care, which are classified to S.11;
- psycho-medico-social centres, which are classified to S.13;
- NPAs with a very high turnover relative to employment/wages, which are classified to S.11.

Non-profit associations in NACE 91.330 are classified to S.15, except those with turnover of more than 1.5 times half of their employees' compensation. This calculation is designed to meet the 50% criterion laid down in ESA 1995:

"If more than 50% of its production costs are covered by sales, the institutional unit is a market producer and belongs to the financial or non-financial corporations sector" (ESA 1995, paragraph 3.32 a).

Non-profit associations in NACE 92.5 are classified to S.15, except a few which have a very high turnover relative to workforce (see criterion described above).

Non-profit associations in NACE-BEL 92.621 are classified to S.15 if their turnover is zero, or if it is less than 50,000 euros and they employ between one and four persons⁵³. Other NPAs usually with positive turnover but no staff are classified to S.11. Sports federations are classified to S.15.

Because adequate information is not always available, the sectoral breakdown of NPAs is probably flawed.

⁵³ This condition applies to 10 NPAs.

NACE	Type of activity	Sector	Remarks
NACE 10 to 74, except 65, 66, 67, 73 <i>Industry, trade, services to business</i>	Market	S.11	Except public-sector units in S.13
NACE 65.11	Market	S.121	
NACE 65.12	Market	S.122	
NACE 65.2	Market	S.123/S.14	
NACE 66	Market	S.125	
NACE 67	Market	S.124/S.14	
NACE 73 <i>Research and development</i>	Market	S.11	Classification case by case
NACE 75	Non-market	S.15/S.13	Public-sector units in S.13
NACE 80.1 to 80.3 <i>Education other than international education</i>	Non-market	S.13	S.13: all schools, including special schools
NACE 80.**5 <i>International education</i>	Market	S.11	European schools: S.2
NACE 80.41 Driving schools	Non-market	S.15	
NACE 80.42 <i>Continuing education, artistic education, distance learning, other education</i>	Market	S.11/S.14	Classification case by case
NACE 85.11 <i>Hospitals</i>	Market	S.11	Continuing education recognised by Communities and educational establishments in S.13
NACE 85.12 <i>Medical practice</i>	Market	S.11/S.14	Except military hospitals in S.13
NACE 85.13 <i>Dental practice</i>	Market	S.11/S.14	
NACE 85.14 <i>Other human health activities (physiotherapy, nursing, etc.)</i>	Market	S.11/S.14	
NACE 85.20 <i>Veterinary activities</i>	Market	S.11/S.14	
NACE 85.311_314 <i>Institutions for disabled children, orphanages, institutions for children in difficulties, institutions for disabled adults</i>	Market	S.11	
NACE 85.315 <i>Rest homes</i>	Market	S.11	
NACE 85.316 <i>Other social work activities with accommodation</i>	Non-market	S.11	
NACE 85.321 <i>Creches</i>	Market	S.15	
NACE 85.322 <i>Sheltered workshops, day centres</i>	Market	S.11/S.14	
NACE 85.323 <i>Other social activities</i>	Non-market	S.11	Psycho-medico-social centres in S.13
NACE 90.00 <i>Sewerage, refuse collection, and waste management</i>	Market	S.15/S.13	
NACE 91.11	Market	S.11	Except municipal activities in S.13
	Market	S.11/S.12	Except a few public-sector

<i>Employers' organisations</i>			units in S.13
NACE 91.12	Market	S.11/S.12	Except a few public-sector units in S.13
<i>Professional associations</i>	Non-market	S.15	
NACE 91.20			
<i>Trade-unions</i>	Non-market	S.15	Particularly church workshops, seminaries, religious orders
NACE 91.31			
<i>Religious organisations</i>	Non-market	S.15	
NACE 91.32			
<i>Political organisations</i>	Non-market	S.15	Except certain public-sector units in S.13
NACE 91.33	market	S.11	
<i>Other membership organisations</i>	Market	S.11/S.14	Except certain public-sector units in S.13
NACE 92 and 93, except 92.5 and 92.621			
<i>Recreational, cultural and sporting activities</i>	Market	S.11	Except certain public-sector units in S.13
NACE 92.5 and 92.621	Non-market	S.13/S.15	
<i>Other cultural activities, activities of sports clubs and sporting associations</i>			

3.1.5.2. Sources of information for S.15

The sources used for compiling the S.15 account are:

- * NSSO data (wages and salaries) for units in sector S.15;
- * the results of the annual structure survey of associations in sector S.15, covering all units employing more than 20 persons and a sample of those employing fewer;
- * the annual reports of certain large associations (e.g. Belgian Red Cross, Médecins sans Frontières etc.);
- * data from the general government account and various administrative sources.

3.2. VALUATION

3.2.1. Non-financial corporations and households (S.11 and S.14)

The valuation according to ESA 1995 is done by transforming the commercial accounting/administrative aggregates (operating income/turnover, operating costs/purchases of goods and services, wages and salaries and social security contributions, business taxes, operating subsidies) into the corresponding ESA 1995 aggregates (output, intermediate consumption, compensation of employees, other taxes and subsidies on production). For the further elaboration of this cf. 3.3.1.

ESA 1995 aggregates (output, intermediate consumption, compensation of employees, other taxes and subsidies on production). For the further elaboration of this cf. 3.3.1.

3.2.2. Financial institutions (S.12)

The elements that are necessary to bring the variables from the source data of financial institutions into line with ESA 1995 are discussed in another section (cf. 3.16).

3.2.3. General government (S.13)

The elements relating to the valuation of production and intermediate consumption of industries forming part of the general government sector are discussed in another section (cf. 3.3.3).

3.2.4. Non-profit institutions serving households (S.15)

The method used to calculate the output or final consumption of NPISHs is based on wages and salaries in the sector (cf. 5.8) calculated using ESA 1995 definitions. The other relevant aggregates (P.2, K.1, D.29 and D.39) have also been calculated from the outset in line with ESA 1995 definitions (for further details, cf. 5.8).

3.3. TRANSITION FROM ADMINISTRATIVE TO ESA 1995 CONCEPTS

3.3.1. Non financial corporations and households (S.11 and S.14)

The calculation is carried out in two phases:

- preparation of a production and primary distribution of income account per industry (NACE 3 or 4) and per institutional sector according to administrative/economic concepts;
- totalling of these amounts to give a higher aggregation level (SUT industries) and conversion into concepts and valuation methods of the national accounts (ESA 1995).

It is important to stress that the output and income approach is estimated *simultaneously and in an integrated way*. In this way the consistency between the value added and its components (D.1, D.29, D.39 and B.2g) is already monitored at the start of the calculations.

3.3.1.1. Calculation of the administrative/economic aggregates per industry and sector

3.3.1.1.1. Non-financial corporations (S.11)

The calculation is carried out at NACE 3 or 4 digit level by totalling the results of the underlying subpopulations (categories):

- | | |
|-----|--|
| A1 | large corporations with 'full' annual accounts |
| A2 | large corporations with no (usable) ⁵⁴ annual accounts |
| B.1 | SMEs with abridged schedule, turnover and purchases indicated and gross margin > 0 |
| B.2 | SMEs with abridged schedule, turnover and purchases not indicated and gross margin > 0 |
| C1 | SMEs with abridged schedule, turnover and purchases indicated and gross margin < 0 |
| C2 | SMEs with abridged schedule, turnover and purchases not indicated and gross margin < 0 |
| B.3 | SMEs with no (usable) annual accounts |
| H | non-profit associations classified to S.11 |
| RF | tax representatives |

⁵⁴ Annual accounts are not regarded as usable (for further statistical processing) if the financial year does not coincide with the calendar year *and* if the financial year data cannot be converted into calendar year data. Corporations with 'no usable' annual accounts are dealt with in the same way as corporations with no annual accounts.

For **category A1** all the relevant variables are available:

Operating income

- 70 turnover
- 71 change in inventory of produced goods (increase +, decrease -)
- 72 self produced fixed assets
- 74 other operating income
 - 740 operating subsidies
 - 741/9 miscellaneous other operating income⁵⁵

Operating costs

- 60 goods for resale, materials and supplies
 - 600/8 purchases of raw materials, consumables and goods for resale
 - 609 changes in inventories of purchased goods (increase -, decrease +)
- 61 services and other goods (not entered in 600/8)
- 62 wages and salaries, social security contributions and pensions
- 64 other operating charges
 - 640 business taxes
 - 641/8 miscellaneous other operating charges

The following 'accounting'⁵⁶ aggregates can be deduced from this:

- production ($70 + 71 + 72 + 74 - 740$)
- intermediate consumption ($60 + 61 + 641/8$)
- gross value added ($70 + 71 + 72 + 74 - 740 - 60 - 61 - 641/8$)
- staff costs (62)
- net business taxes ($640 - 740$)
- gross operating surplus ($70 + 71 + 72 + 74 - 60 - 61 - 62 - 640/8$)

For **category A2** companies three sources can be used to estimate the value added: the structure business survey (SBS) (in a minority of cases)⁵⁷, the VAT returns and the wages and salaries deduced from the NSSO file. If a SBS is available this is used. In the absence of a SBS, the value added is

⁵⁵ 741/9 means the sum of accounts 741 to 749.

⁵⁶ These are intermediate aggregates/balances that in this phase still fully agree with the conventions and valuation rules of commercial accounting as specified in the accounting legislation.

⁵⁷ All large corporations are surveyed via the structure survey. This is for example also the case for the Belgian branch offices of foreign corporations that are not obliged to file annual accounts with the Central Balance Sheets Office. For those units we therefore have a structure survey but no annual accounts. Corporations that do have to file annual accounts but do not in fact do this in most cases also do not fill in a structure survey.

estimate D.5 either via the turnover (this is the case in the majority of industries) or via the wages and salaries (this is the case in a number service industries)⁵⁸. The wages and salaries are always known via the NSSO.

For SMS corporations we have less detailed information via the annual accounts (cat. B.1, B.2, C1, C2):

70	turnover	optional
60/61	$600/8 + 609 + 61 = \text{consumption of goods and services}$	optional
62	wages and salaries, social security contributions and pensions	
640/8	$640 + 641/8 (\text{other operating costs incl. business taxes})$	
70/61	$70 + 71 + 72 + 74 - 60 - 61 = \text{gross margin} > 0$	
61/70	$70 + 71 + 72 + 74 - 60 - 61 = \text{gross margin} < 0$	

For SMEs with an abridged schedule in which turnover and purchases are indicated (population B.1 and C1 respectively with a positive and negative gross margin) we know the main headings (in particular the turnover and consumption of goods and services). The missing headings can be deduced from the known headings or computed on the basis of structural coefficients known for large corporations from the same industry.

The turnover and purchases of SMEs with an abridged schedule that do not indicate this information (population B.2 and C2 respectively with a positive and negative gross margin) are computed.

The turnover and purchases of B.2 are obtained by multiplying the amounts B.1 by the ratio gross margin B.2/gross margin B.1 (extrapolation of turnover and purchases via the gross margin).

The turnover of C2 is taken from the VAT data and purchases are deduced (value added is known). The wages and salaries are taken over from the annual accounts.

The data for SMEs with no (usable) annual accounts (population B.3), and for NPAs classified to S.11 (population H), are estimated either via the VAT turnover, or via the NSSO wages and salaries on the basis of the structure of B.1+B.2+C1+C2. The NSSO wages and salaries calculated for these categories are taken over as they stand. In industries where a lot of NPAs are active category H is estimated by combining NSSO data (wages and salaries) and structure survey data (turnover/wages and salaries and purchases/wages and salaries).

Category RF consists of units that according to the VAT administration are regarded as 'fiscal representatives' for foreign companies. Only if wages and salaries and employment are linked to these

⁵⁸ The structure of A1 is transferred to A2 using the ratio VAT turnover A2/annual accounts turnover A1, or NSSO wages and salaries A2/annual accounts wages and salaries A1.

units value added is estimated for this population (via the wages and salaries bill). In total these amounts are very small.

Populations A2⁵⁹, B.3, H and RF for which no usable annual accounts are available and for which value added must be estimated via other sources only represent about 12% of the total value added in S.11.

There are 5 possible indirect estimation methods for value added in categories A2, B.3 and H:

- VAT1: turnover and purchases are taken from the VAT returns, the other variables are extrapolated via the turnover;
- VAT2: turnover is taken over from the VAT returns, the other variables (including purchases) are extrapolated;
- NSSO1: turnover, purchases and other headings are computed via NSSO wages and salaries;
- NSSO2: turnover and purchases are computed via NSSO wages and salaries with the restriction that the net operating surplus is equal to 0;
- S/NSSO: combined use of structure survey NPAs and NSSO data (only in category H).

For each category and industry (NACE 3/4) the computation method used is specified: (cf. 3.4).

For corporations with no (usable) annual accounts from industries whose activity is not exempt from VAT (and for which relevant VAT information is therefore available) in most cases method VAT2 is used. This implies that purchases are extrapolated (comparing turnover and purchases in annual accounts and VAT proved that the purchases in VAT returns are not always reliable)

If the amounts on which extrapolation is based are too small (turnover and purchases in respectively A1 or B.1+B.2+C1+C2) method VAT1 is used.

For a number of service industries NSSO1 is used instead of VAT1 or VAT2.

Category H is estimated in a number of industries via NSSO2.

If category H is important the automatically calculated aggregates are replaced by separately calculated aggregates based on the results of the SBS for NPAs extrapolated via the wages and salaries known in the NSSO (method S/NSSO).

⁵⁹ Part of the value added in population A2 is also based on the structure survey and is therefore not computed.

The branches of activity for which category H is estimated from salaries and wages and from data of the structural survey of non-profit associations (SSE-FR) are as follows:

NACE 80.*	Education
NACE 85.12	Medical practice
NACE 85.14	Other human health activities (paramedical activities, ambulances, blood collection, etc.)
NACE 85.20	Veterinary activities
NACE 85.31	Social work activities with accommodation
NACE 85.32	Social work activities without accommodation
NACE 91.1	Activities of employers', business and professional organisations
NACE 91.3	Other membership organisations
NACE 92.2	Radio and television activities
NACE 92.3	Other entertainment activities (drama and music, theatre management etc.)
NACE 92.5	Other cultural activities (libraries, museums, etc.)
NACE 92.6	Activities pertaining to sport

The method based on NPA survey data comprises three stages: calculation of the production and primary income accounts of the units covered by the SBS-NPA survey, calculation of extrapolation coefficients, and extrapolation of wages and salaries.

Calculation of the aggregates of the production and operating accounts of the units covered by the SBS-NPA survey

The first step is to calculate the various components of the production and primary income accounts for all the NPAs covered by the SBS-NPA survey (see table below). In addition to income arising usually from the sale of goods and services, output (P.1) includes all operating subsidies paid by general government, which are generally treated as purchases of goods and services (P.2 or P.3) in the accounting of general government. Accordingly, other production subsidies (D.39) are zeroed and implicitly included in output. As regards intermediate consumption (P.2), insurance services are estimated by applying a coefficient of 0.4 to insurance premiums paid. Apart from allowances paid to volunteers and payments to temporary staff agencies, the wages bill (D.1) comprises all personnel expenses incurred by the non-profit association. It therefore corresponds more to ESA 1995 than the NSSO concept, since it includes " Other personnel expenses" (PRSCH26). Other taxes on production (29) and depreciation (K.1) are classified respectively to CURCH44 and CURCH36.

Variable	SSE-FR heading	SSE-FR heading title
Output (P.1)	GVINC02 + GVINC03 + GVINC04 + GVINC06 + GVINC08 + GVINC16 + GVINC20 - CURCH06	Turnover + Change in inventories of goods produced + Income from one-off operations + Contributions from members (against provision of service) + Operating subsidies + Rentals + Other income (other than gifts received) - Goods purchased for resale
Intermediate consumption (P.2)	CURCH02 + CURCH04 + CURCH10 + CURCH12 + CURCH14 + CURCH16 + CURCH18 + CURCH22 + CURCH24 + (0.4*CURCH26) + CURCH28 + CURCH30 + CURCH32 + CURCH46 + PRSCH22 + PRSCH24	Fees for the self-employed + Raw material purchases intended for production + Change in inventories + Energy + Water + Rentals + Maintenance and repairs + Market studies, marketing and advertising + Social secretariat expenses + Insurance services (Insurance premiums – Indemnities received) + Communication (telephone, postage, etc.) + Transport + Other purchases of goods and services for operating purposes + Other expenditure (other than gifts made) + Expenses and allowances for volunteers + Payments to temporary staff agencies
Wages and salaries (D.1)	PRSCH99 - PRSCH22 - PRSCH24	Personnel expenses - Expenses and allowances for volunteers - Payments to temporary staff agencies
Production taxes (D.29)	CURCH44	Various taxes
Depreciation (K.1)	CURCH36	Depreciation

Extrapolation coefficients

The individual aggregates obtained for each NPA are first aggregated by NACE 3 digits, 4 digits or even 5 digits and by sector. Next, the aggregated amounts are expressed as percentages of the wages bill (P.1/D.1, P.2/D.1 etc.) and a three-year moving average is calculated for each percentage. The percentages are then validated for the various NACEs and are used as extrapolation coefficients for estimating the production and primary income accounts.

Extrapolation of wages and salaries

The various components of the production and primary income accounts are calculated by multiplying the wages and salaries by the extrapolation coefficients arising from the survey. There are two possibilities: the revenue method and the cost method.

Under the revenue method, all the aggregates are calculated directly on the basis of the extrapolation coefficients, but an adjustment is made for other production subsidies (D.39). Certain other production subsidies specific to NPAs (“Maribel social”, wage and salary subsidies for adapted-work enterprises etc.) are identified in the accounting of general government. They are therefore deducted from output and added in D.39. The revenue method is the one used in most cases.

Under the cost method, which is normally used for non-market units, the net operating surplus is set at 0 (B.2n = 0). The P.2, D.29 and K.1 aggregates are calculated directly on the basis of the

extrapolation coefficients, D.39 is put at 0 and P.1 is the sum of the costs (P.2 + D.1 + (D.29 -D.39) + K.1). The other production subsidies are then adjusted on the basis of the accounting of general government. The cost method is used exceptionally, either because part of the operating subsidies is not clearly identified in the survey (NACE 85.31 except from NACE 85.315) or because too much variation in the units sampled results in too much variation in revenue.

In the enclosed Table S.11_2003 we find for the total of non-financial corporations (total for all underlying industries) the production and primary distribution of income account according to accounting/administrative concepts. The calculation is carried out in two phases:

- Automatic calculation per NACE 3/4 for each subpopulation (category) according to the standard methods
- Verification and adjustment of these results, mainly in categories A2, B.3 and H.

The checks and adjustments are carried out per district. Suspect observations (combination of sector/NACE/district) are indicated automatically via statistical tools. The statistician responsible investigates this further and adjusts where necessary (at the lowest possible level i.e. per district).

Administrative aggregates S.11 (total for all industries and all districts, millions of euros)											
2003.2006.S.11.Agg2.D.*	A1	A2	B.1	B.2	B.3	C1	C2	H	RF	T	
70	440 314.7	17 043.1	37 710.2	86 910.9	30 754.4	1 737.5	1 500.7	11 793.3	547.1	628 311.9	
71	-115.4	12.4	-358.0	-830.2	-1.3	-28.7	0.0	0.0	9.2	-1 312.0	
72	3 208.0	32.2	0.0	0.0	0.0	0.0	0.0	0.0	0.5	3 240.7	
74-740	16 951.1	596.3	596.5	1 456.0	6.2	14.9	0.0	0.0	39.1	19 660.1	
operating income	460 358.4	17 684.0	37 948.7	87 536.7	30 759.4	1 723.6	1 500.7	11 793.3	595.9	649 900.7	
600/8+61	363 353.0	13 554.0	28 735.5	66 402.1	24 572.4	1 858.0	1 831.4	5 106.6	504.6	505 917.7	
609	-586.1	-58.4	-100.0	-242.6	0.6	-4.1	0.0	0.0	-0.7	-991.3	
641/8	1 514.5	60.7	158.9	352.3	0.1	4.9	27.7	0.0	2.0	2 121.2	
goods and services	364 281.5	13 556.4	28 794.4	66 511.8	24 573.0	1 858.8	1 859.2	5 106.6	505.9	507 047.6	
62	58 784.5	2 827.9	5 146.6	11 209.1	3 256.9	45.4	87.4	6 235.4	65.5	87 658.7	
640	4 299.5	100.5	255.0	535.7	204.5	7.3	36.3	81.0	1.8	5 521.6	
740	440.3	62.8	57.5	126.9	115.2	2.3	0.0	418.0	14.8	1 237.8	
gross value added	96 076.9	4 127.6	9 154.3	21 024.9	6 186.4	-135.2	-358.4	6 686.7	89.9	142 853.1	
gross operating surplus	33 433.2	1 262.0	3 810.2	9 406.9	2 840.1	-185.6	-482.1	788.3	37.5	50 910.6	

Note

The computation methods only give usable results for the total operating income and the total consumption of goods and services but not for the underlying headings (including the changes in inventories). In category B.1 negative changes in inventories on the production side (heading 71) and positive changes (negative amounts) in inventories on the purchased goods side are deduced. As a result of the extrapolation we also find similar amounts in category B.2. When determining the

changes in inventories in the national accounts the extrapolated amounts of changes in inventories that appear in A2 and B.2 are not taken into account.

3.3.1.1.2. Households (S.14)

Depending on the activity different sources are used to estimate the value added (and mixed income) of self-employed persons.

The calculations for *agriculture, forestry and fisheries* use specific sources, including the DGSEI agriculture statistics.

For *VAT-registered self-employed persons* value added is estimated via the VAT returns.

For *non VAT-registered self-employed persons* and administrators (directors and managers) the personal income tax returns are used. The disadvantage of this source is that the final data only become available late (the final data for income year t become available at the end of t+2). For medical professions NSDII data are also used. These calculations are at present still carried out outside the directory.

The value added of self-employed persons active in *financial auxiliaries* (NACE 67) is largely estimated via mirror information that is available in the accounts of the banks and insurance corporations (NACE 65 and NACE 66).

Housing services (rent and imputed rent) are estimated according to a methodology specified by Eurostat (cf. 3.17).

The value added of *private households with employees* (NACE 95) corresponds to the wages and salaries paid by families to domestic help, gardeners, cleaning ladies etc. Because most of these services are supplied 'in the black economy' little or no use can be made from official sources.

We know the compensation of employees paid by unincorporated enterprises via the NSSO returns. The apportionment of other taxes and subsidies on production over the various industries is estimated via the SBS intended for self-employed enterprises.

Because self-employed persons do not have to draw up and file annual accounts only categories A2 and B.3 are relevant here. For all industries the amounts of the different variables (turnover, purchases, wages and salaries, taxes, subsidies) are totalled for A2 and B.3. No changes in inventories are estimated for self-employed persons outside agriculture.

Because very few large unincorporated enterprises are active category A2 is empty in most industries.

Administrative aggregates S.14 (a)
*(total for all industries and all districts,
in millions of euros)*

2003.2006.S.14.Agg1.D.*	I	II	III	A2	B.3	total
70	5 305.5	836.1	35 473.5	190.2	41 425.0	41 615.1
71	-97.0	0	-0.5	-0.5	-97.0	-97.5
72	131.6	0	0.0	0.0	131.6	131.6
74-740	0.0	0	0.3	0.3	0.0	0.3
operating income	5 340.1	836.1	35 473.2	189.9	41 459.5	41 649.4
600/8+61	3 167.6	451.8	19 549.0	98.9	23 069.5	23 168.4
609	0.0	0	0.7	0.7	0.0	0.7
641/8	0.0	0	0.2	0.2	0.0	0.2
goods and services	3 167.6	451.8	19 549.9	99.7	23 069.5	23 169.2
62	107.2	27.2	1 835.5	33.9	1 936.0	1 969.9
640	14.6	0	159.5	0.2	173.9	174.1
740	19.3	0	19.4	0.0	38.6	38.7
gross value added	2 172.5	384.3	15 923.4	90.2	18 390.1	18 480.2
gross operating surplus	2 070.0	357.1	13 947.7	56.1	16 318.8	16 374.9

I: agriculture, forestry and fisheries (prices*quantity)

II: self-employed persons active in NACE 67 (deduced via info S.12 NACE 65
and NACE 66)

III: self-employed persons active in other NACEs (estimated via VAT or personal tax)

(a) Excluding housing services and private households with staff added subsequently

3.3.1.2. Conversion of accounting/administrative aggregates to national accounts aggregates

3.3.1.2.1. Non-financial corporations (S.11)

In a previous phase the administrative aggregates were calculated per industry (NACE 3/4) and per sector. These intermediate results are then totalled to give a higher aggregation level (120 SUT industries; cf. 10.1).

Per SUT industry (and separately for S.11 and S.14) the administrative variables are converted into ESA 1995 aggregates. On balance this also gives the gross value added (B.1g) and the gross operating surplus (B.2g). To obtain exhaustive accounts in a number cases the administrative figures are supplemented with exogenously estimated amounts (e.g. hospitals).

<u>Administrative aggregates</u>	→	<u>ESA 1995 aggregates</u>
70+71+72+74-740	→	P.1
600/8 + 609 + 61 + 641/8	→	P.2
62	→	D.1
640	→	D.29
740	→	D.39

All adjustments and reclassifications have a counterpart that can fall within or outside the production and primary distribution of income account. This avoids distorting the budget identity on the global level of the sector account.

The information needed to calculate these adjustments is available either in the annual accounts, or in the SBS , or as exogenous data in accounts S.13 (taxes and subsidies on products and other taxes and subsidies on production) and S.12 (insurance premiums received and damages payments made)

In the following we shall explain each type of adjustment (indicated with a letter). The amounts refer to 2003 (total for all industries within S.11). The amounts are in millions of euros.

Calculation of gross value added and gross operating surplus in S.11 according to ESA 1995 concepts (2003, millions of euros) (All industries)

ESA 1995 Annual accounts	P.11/V1 70	P.11/P.52s 71	P.12 72	P.11/V2 74-740	Total P.1 600/8+61	P.2/A1 609	P.2/P.52u 641/8	P.2/A2 507 048	Total P.2 87 659	D.1 5 522	D.29 62	D.39 640	B.1g 740	B.2g 50 911
I. Opening amount	628 312	-1 312	3 241	19 660	649 901	505 918	-991	2 121	507 048	87 659	5 522	1 238	142 853	50 911
II. Adjustments	-228 984	433	150	-1 255	-229 657	-234 791	150	-410	-235 052	8 018	-3 092	877	5 395	1 347
(a)	0	0	0	0	0	72	0	0	72	0	-72	0	-72	0
(b)	0	0	0	0	0	0	0	0	0	394	0	0	0	-394
(c)	-431	0	0	0	-431	-408	0	0	-408	0	0	0	-22	-22
(d)	-237 234	0	0	0	-237 234	-237 271	37	0	-237 234	0	0	0	0	0
(e)	0	0	0	-782	-782	0	0	-471	-471	0	0	0	-311	-311
(f)	0	0	0	-124	-124	-243	0	0	-243	0	0	0	119	119
(g)	0	0	-1 410	0	-1 410	661	0	0	661	0	0	0	-2 071	-2 071
(h)	0	0	0	0	0	-136	0	0	-136	0	0	0	136	136
(i)	0	0	1 396	0	1 396	-508	0	0	-508	0	0	0	1 904	1 904
(j)	0	0	0	0	0	78	0	0	78	0	0	0	-78	-78
(k)	0	0	0	0	0	1 045	0	0	1 045	0	0	0	-1 045	-1 045
(l)	0	0	0	0	0	-946	0	0	-946	0	0	0	946	946
(m)	0	0	0	-549	-549	0	0	0	0	0	0	0	-549	-549
(n)	0	0	0	0	0	0	0	0	0	0	0	80	0	80
(o1)	-5 873	0	0	0	-5 873	-3 483	0	0	-3 483	0	-2 390	0	-2 390	0
(o2)	-150	0	0	0	-150	-22	0	0	-22	0	-128	0	-128	0
(o3)	-59	0	0	0	-59	0	0	0	0	0	59	-59	0	0
(o4)	374	0	0	0	374	0	0	0	0	0	-54	374	320	320
(P.1)	55	0	0	0	55	0	0	0	0	55	0	0	55	0
(P.2)	0	0	0	0	0	-702	0	0	-702	702	0	0	702	0
(q)	289	0	0	0	289	0	0	0	0	289	0	0	289	0
(r)	0	0	0	0	0	509	0	0	509	1	0	0	-509	-510
(s)	-367	0	0	0	-367	-429	62	0	-367	0	0	0	0	0
(t)	-307	414	-107	0	0	0	0	0	0	0	0	0	0	0
(u)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-3 522	14	-12	-247	-3 767	-2 362	15	-26	-2 373	-791	0	0	-1 394	-603
(w)	0	0	0	0	0	0	35	0	35	0	0	0	-35	-35
(x1)	12 283	0	178	449	12 910	5 477	1	87	5 565	6 492	10	367	7 345	1 210
(x2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(y)	15 455	0	0	0	15 455	9 584	0	0	9 584	926	0	0	5 871	4 945
(z)	-16 880	0	0	0	-16 880	-16 880	0	0	-16 880	0	0	0	0	0
(aa)	-287	0	0	0	-287	663	0	0	663	0	-512	287	-950	-151
(ab)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ac)	7 805	0	0	0	7 805	7 805	0	0	7 805	0	0	0	0	0
(ad)	-136	5	106	-2	-27	26	0	0	26	-50	0	139	-54	135
FISIM	0	0	0	0	0	2 678	0	0	2 678	0	0	0	-2 678	-2 678
III. Closing amount	399 328	-879	3 390	18 405	420 244	271 126	-842	1 711	271 996	95 676	2 430	2 115	148 248	52 257

Adjustment (a): taxes on products recorded in account 640

Most corporations record non deductible VAT in the acquisition value of the relevant goods and services. Under this hypothesis the intermediate consumption and GFCF as recorded in the corporate accounts correspond to the valuation in the national accounts (use valued at purchasers' price incl. non deductible VAT)

Some corporations record non-deductible VAT separately in account 640 (business taxes). The non-deductible VAT on the purchase of current goods and services recorded in business taxes must be transferred to purchases (intermediaite consumption). These amounts are known via the SBS

headings annual accounts	amounts before adjustment	adjustment (a)
600/8 +61	505 917.7	+72.2
640	5 521.6	-72.2

The amounts in the headings before adjustment refer to the total for all industries within S.11.

Adjustment (b): alignment of wages and salaries from administrative sources with ESA 1995 wages and salaries

The calculation method and sources used for the compensation of employees according to administrative aggregates (annual accounts and NSSO) and according to ESA 1995 (largely social balance sheet) differ from one another⁶⁰. In adjustment (b) the opening amounts and the closing amounts are aligned with one another.

headings annual accounts	amounts before adjustment	adjustment (b)
62	87 658.7	+393.9

⁶⁰ In the administrative aggregates heading 62 is determined pro rata where needed (the same approach as for value added). For the calculation of D.1 the annual accounts (social balance sheet) are only used for corporations whose financial year and calendar year coincide. As a result the consistency between the number of wage and salary earners (averaged over 4 quarters) and the total wage and salary bill (originally calendar year data) is always guaranteed. If bookyear and calenderyear do not coincide an estimate of D.1 is made via the NSSO. The notion 'usable' annual accounts (social balance sheet) is therefore stricter in establishing D.1 than in the context of B.1g.

Adjustment (c): discounts for cash payment recorded in the financial results

In corporate accounting discounts for cash payment given to customers are recorded as financial charges, discounts for cash payment received from suppliers as financial income. In the national accounts these amounts are deducted respectively from turnover and purchases. The percentages by which turnover and purchases are corrected are deduced from the BSB. This adjustment has a small negative effect on the value added.

headings annual accounts	amounts before correction correction	(c)
70	628,311.9	-430.6
600/8 +61	505,917.7	-408.3
75 (financial income)		-408.3
65 (financial expenditure)		-430.6

Adjustment (d): elimination of goods for resale from turnover, purchases and changes in inventories

The goods for resale are eliminated from purchases, changes in inventories and turnover. After correction we obtain purchases of goods intended for intermediate consumption (excluding purchased goods for resale) and a trade margin (turnover - cost of sold goods for resale).

The relevant amounts are estimated by combining information from the annual accounts, SBS and Prodcos. This adjustment is calculated for all industries and not only for wholesale and retail industries (SUT 51A1 and 52A1). The amounts are very large (around 38% of total turnover and around 47% of total purchases) but there is no impact on the value added.

headings annual accounts	amounts before adjustment	adjustment (d)
70	628 311.9	-237 233.6
600/8 +61	505 917.7	-237 270.8
609	-991.3	+37.2

The cost of sold goods for resale is equal to purchases of goods for resale (604) adjusted for changes in inventories of goods for resale (6094).

604	purchased goods for resale	237 270.8
6094	changes in inventories goods for resale (increase)	- 37.2
604+6094	cost of sold goods for resale	237 233.6

By deducting the cost of sold goods for resale from total turnover one becomes the turnover for services, for self-produced products and the trade margin on commercial goods i.e. the output according to the national accounts:

$$\text{turnover} = \text{turnover of services} + \text{turnover of goods for resale} + \text{turnover of self-produced products}$$

$$\begin{aligned} \text{turnover of services} + (\text{turnover of goods for resale} - \text{cost of sold goods for resale}) + \text{turnover of self-produced products} \\ = \text{turnover of services} + \text{trade margin} + \text{turnover of self-produced products} \\ = \text{output} \end{aligned}$$

Adjustment (e): elimination of holding gains and losses from operating income and operating charges

Holding gains and losses are not transactions and must therefore be eliminated from output and intermediate consumption. This concerns the following accounts for which information is available via the SBS:

- 741: gains on disposal of tangible fixed assets in the ordinary course of business
- 742: gains on realisation of trade debtors
- 641: losses on disposal of tangible fixed assets in the ordinary course of business
- 642: losses on realisation of trade debtors

headings annual accounts	amounts before adjustment	adjustment (e)
74-740	19 660.1	-782.0
641/8	2 121.2	-471.0
net gains		311.0

Adjustment (f): elimination of rent received and paid for land from operating income and operating costs

Land is a non-produced asset. Rental income and payments are therefore not regarded as output and intermediate consumption but as property income received and paid (D.45). The rent received and paid on land is known via the SBS.

headings annual accounts	amounts before adjustment	adjustment (f)
74-740	19,660.1	-124.0
600/8 + 61	505,917.7	-243.2
D45_R		124.0
D45_U		243.2

Adjustment (g): elimination of capitalised R&D from production and from investments

In commercial accounts the costs of R&D can be capitalised. According to the national accounts capital formation for R&D is not possible. In order to adjust the accounting data for the valuation rules of ESA 1995, capitalised R&D purchased by corporations must be recorded as the acquisition of a service (intermediate consumption) and the production of self-developed R&D (account 72), as well as the corresponding 'investment' in intangible fixed assets, must be deleted.

The amount of capitalised (self-produced and acquired) R&D is known via the annual accounts; for purchased R&D services we have information via the SBS. This adjustment has a considerable negative impact on value added (> EUR 2 billion in 2003).

headings annual accounts	amounts before adjustment	adjustment (g)
72	3,240.7	-1,410.5
600/8 + 61	505,917.7	660.7
P51		-2,071.2

Adjustment (h): elimination of gifts recorded in purchases of services

Gifts recorded by corporations in account 61 must be deleted from intermediate consumption and transferred to the appropriate transaction category (D.75). This information is known via the SBS.

headings annual accounts	amounts before adjustment	adjustment (h)
600/8 + 61	505,917.7	-135.5
D75_U		135.5

Adjustment (i): recording of non-capitalised costs of software as investment

Self-developed software for own use is not capitalised by corporations; purchased software may be entered both in the profit and loss account and in the balance sheet.

Self-produced software is added to production (heading 72) and investments; purchased software recorded as current purchases of goods or services is transferred to investments.

Self-produced software is estimated on the basis of the wage and salary costs of IT staff employed in the different industries. The non-capitalised software purchased is known via the SBS.

This adjustment has a considerable positive impact on value added (EUR 1.9 billion in 2003).

headings annual accounts	amounts before adjustment	adjustment (i)
72	3 240.7	1 396.2
600/8 + 61	505 917.7	-507.6
P.51		1 903.8

Adjustment (j): transfer of capitalised formation expenses to intermediate consumption

The expenses associated with the creation and/or restructuring of a corporation (notary's costs, printing costs of shares, costs of publication of deed of formation in Belgian Bulletin of Acts and Decrees, etc.) may be capitalised in the commercial accounts. From the point of view of the national accounts this is intermediate consumption. These amounts are known from the annual accounts (or at least they are for corporations that file a full accounting schedule). These are small amounts.

headings annual accounts	amounts before adjustment	adjustment (j)
600/8 + 61	505 917.7	78.0
P.51		-78.0

Adjustment (k): transfer of some bank charges to intermediate consumption

Via the SBS carried out in financial institutions we know the amounts (commission, management charges, etc.) that banks invoice to S.11 units for the services they provide. Non-financial corporations enter these charges in account 65 (financial charges). These charges must be transferred to intermediate consumption (account 61). These are relatively large amounts (> EUR 1 billion in 2003).

headings annual accounts	amounts before adjustment	adjustment (k)
600/8 + 61	505,917.7	1,045.4
65: financial charges		-1,045.4

Adjustment (l): non-life insurance premiums

Corporations record the (gross) premiums paid to insurance corporations in account 61 (acquisition of a service). According to the national accounts the total premium must be split into a 'service part' (corresponding to the production of insurance corporations) and a transfer part (compensation paid to insured parties).

The gross premiums paid are known via the SBS, the transfer part to be deleted from the purchases of goods and services can be deduced from the accounts of the insurance corporations.

headings annual accounts	amounts before adjustment	adjustment (l)
600/8 + 61	505,917.7	-946.0
D71_U		946.0

Adjustment (m): non-life insurance claims

Non-life insurance claims are entered by corporations in "other operating income" (account 74) or in "exceptional income (account 76)". The part entered in current income can be deduced from the SBS and is transferred to the appropriate transaction category of the national accounts (D.72).

headings annual accounts	amounts before adjustment	adjustment (m)
74-740	19,660.1	-549.2
D72_R		549.2

Adjustment (n): interest subsidies received

These are transferred from financial income (account 75) to operating subsidies (account 740). The interest subsidies received are known via the annual accounts.

headings annual accounts	amounts before adjustment	adjustment (n)
740	1,237.8	80.2
75: financial income		-80.2

Adjustment (o): adjustment of basic prices

This adjustment consists of 4 sub-adjustments:

- (o1): adjustment on account of excise duties
- (o2): adjustment on account of turnover tax in the pharmaceutical industry
- (o3): elimination of other subsidies on production (D.39) entered in turnover
- (o4): addition of subsidies on products (D.31) to turnover when these are recorded elsewhere

(o1) Adjustment on account of excise duties.

The turnover in the annual accounts (and VAT returns) is valued at producer prices excluding VAT; the production in the national accounts must be valued at basic prices (cf. 6.1.1). Excise duties included in the turnover are deducted from turnover; on the expenditure side the excise duties are deducted from the accounts in which they are recorded (business taxes and/or purchases)⁶¹. The excise duties not found in the SBS in account 640 are assumed to have been recorded in account 600/8+61.

(o2) Adjustment on account of turnover tax in the pharmaceutical industry

This is a similar adjustment to (o1) where the amount of the tax is deducted from turnover and business taxes/ purchases

(o3) Elimination of other subsidies on production (D.39) recorded in turnover

Only a limited number of industries receive subsidies on products. If corporations record subsidies in turnover and it is known a priori that these cannot be subsidies on products (taking into account the activity of the corporation) an adjustment must be made in order to transfer these subsidies to account 740.

(o4) Addition of subsidies on products (D.31) to turnover when these are recorded elsewhere.

Subsidies on products must be included in turnover at basic prices; if this is in practice not the case they must be transferred to turnover.

⁶¹ The adjustment for excise duties entered in account 600/8+61 does not relate to excise duties included in products purchased by producers for intermediate consumption, but excise duties that must be paid by producers, and are also recorded by them as expenses.

The total of taxes and subsidies on products is known from the government accounts and the rest of the world account. The apportionment of these between industries, the actual entry in the commercial accounts and the necessary adjustments for the national accounts can be deduced from the SBS.

headings annual accounts	amounts before adjustment	(o1)	adjustment (o2)	(o3)	(o4)	total (o)
70	628,311.9	-5,872.6	-149.7	-59.0	374.2	-5,707.1
600/8 +61	505,917.7	-3,482.6	-22.0			-3,504.6
640	5,521.6	-2,390.0	-127.7			-2,517.7
740	1,237.8		149.7	59.0	-54.3	154.4
75: financial income				0.0	-319.9	-319.9

Adjustment (p): wages and salaries in kind

Adjustment (P.1): produced wages and salaries in kind

Goods and services produced by corporations and made available to employees must be added to turnover and to wages and salaries. Amounts for this are estimated for two industries: hotels, restaurants and cafés (free meals offered to staff) and auto assembly plants (discounts granted to staff members on a new car purchased from their own employer).

Adjustment (P.2): purchased wages and salaries in kind

The information is obtained via the NSSO (personal use of company car) and from the balance sheet (code 1033: benefits on top of wage or salary).

headings annual accounts	amounts before adjustment	(P.1)	adjustment (P.2)	total (p)
70	628 311.9	54.9		54.9
600/8 + 61	505 917.7		-701.8	-701.8
62	87 658.7	54.9	701.8	756.7

(P.1): produced goods and services made available as wages and salaries in kind

(P.2): purchased goods and services made available as wages and salaries in kind

Adjustment (q): gratuities

In a number industries tips are taken into account (hotels, restaurants and cafés, taxis, hairdressers). These are estimated as a percentage of the turnover.

The turnover and the wages and salaries are increased by the amount of the gratuities thus estimated.

headings annual accounts	amounts before adjustment	(q)
70	628,311.9	289.2
62	87,658.7	289.2

Adjustment (r): directors' fees

Self-employed directors and managers are deemed to provide services (management advice) to all the industries in which they exercise mandates. The compensation they receive for this must therefore be recorded as production (in industry management advice, SUT 74B.1) and as intermediate consumption (in industries that pay these representatives). Directors' entitlements form part of the compensation for services provided; these must therefore be transferred from distributed profit to intermediate consumption.

headings annual accounts	amounts before adjustment	(r)
600/8 +61	505,917.7	508.8
695: profit distributable to directors or managers		-508.8

Adjustment (s): real estate acquired intended for resale

Real estate corporations trade in (and let) existing real estate (non-residential buildings, dwellings, etc.). Their acquisition, like the purchase of goods for resale, is entered in the profit and loss account (605: purchase of immovable property for resale). By this adjustment the corresponding purchases are eliminated from intermediate consumption, and the turnover on account of the resale of real estate is

reduced to a 'margin' [similar to the adjustment for goods for resale, cf. adjustment (d)]. This 'margin' is imputed to the product buildings in the supply and use table as shown in the enclosed example:

Real estate sector acquires buildings produced by NACE 45 for 100, keeps 10 in stock and sells on 90 at 150 The margin realized on this is imputed to product buildings					
annual accounts		adjustment(s)	after adj.		
70	150	-90	60	P1	allocate to product buildings
605	100	-100	0	P2	
6095	-10	10	0	P2	
supply and use table					
	P1 nace45	P1 nace70	supply	P51	P52 use
buildings	100	60	160	150	10 160

The amounts for 2003 (known via the SBS) are as follows

605	purchase of real estate intended for sale	429.0
6095	changes in inventories of real estate intended for sale	-61.8 (increase)
605+6095	cost of real estate sold	367.2

headings annual accounts	amounts before adjustment	adjustment (s)
70	628,311.9	-367.2
600/8 +61	505,917.7	-429.0
609	-991.3	61.8

Adjustment (t) transfer of amounts recorded in account 71 and 72 to account 70 in certain service industries

Transfer from changes in inventories (71) to turnover (70)

In the construction industry (NACE 45) and the real estate industry (NACE 70) the amounts recorded in account 71 are primarily contracts-in-progress. The principal will record the corresponding advance payments as an investment (under account 27: fixed assets under construction and advance

payments)⁶². To avoid double counting in the SUT it is therefore appropriate to reclassify this production in the construction and real estate industry from a change in inventory (account 71) to a sale (account 70).

In other service industries we sometimes find very small amounts in account 71 that are put at 0 before further processing in the SUT (with counterpart in turnover and no impact on value added).

Transfer from self-produced assets (72) to turnover (70)

Here too this is for a practical reason (ease of processing in the SUT).

These adjustments have no effect on the value added.

Adjustment (v): elimination of value added produced abroad

The annual accounts report on a corporate and not on a territorial basis. Because only the value added produced in Belgium may be allocated to GDP, the figures for corporations with foreign establishments [operating premises with no separate legal entity] must be adjusted. By comparing the wages and salaries indicated in the annual accounts (including foreign establishments) with those indicated in the balance sheet (only wages and salaries paid in Belgian establishments) the amount of wages and salaries paid to foreign staff can be determined. Based on the proportion of wages and salaries paid to foreign staff with respect to the total wages and salaries paid, the value added produced abroad is estimated. The related turnover and purchases, and the corresponding wages and salaries, are deducted from the original figures. This is a significant adjustment which reduces the value added by approximately 1%.

⁶² In the books of the construction company these advance payments received are recorded in the liabilities of the balance sheet (payments on account on orders received).

headings annual accounts	amounts before adjustment	adjustment (v)
70	628,311.9	-3,521.6
71	-1,312.0	13.8
72	3,240.7	-12.4
74-740	19,660.1	-246.9
operating income (A)	649,900.7	-3,767.1
600/8+61	505,917.7	-2,362.1
609	-991.3	14.8
641/8	2,121.2	-26.1
consumption g&s (B)	507,047.6	-2,373.4
62	87,658.7	-791.2
640	5,521.6	0.0
740	1,237.8	0.0
gross added value (C)	142,853.1	-1,393.7
gross operating surplus (D)	50,910.6	-602.5

Adjustment (w): holding gains/losses on inventories

In periods of significant price increases or price reductions for materials and goods for resale the accounting figures may include significant holding gains/losses relating to changes in inventories if corporations value their inventories by the FIFO method. An estimate is made of these holding gains/losses and the changes in inventories for purchased goods (heading 609) mentioned in the profit and loss account is thereby adjusted. This adjustment has no counterpart elsewhere and therefore also affects the value added. There is an additional note on this in 5.13.1.2.. The amount for 2003 happens to be small.

headings annual accounts	amounts before adjustment	adjustment (w)
70	628 311.9	0.0
71	-1 312.0	0.0
72	3 240.7	0.0
74-740	19 660.1	0.0
operating income (A)	649 900.7	0.0
600/8+61	505 917.7	0.0
609	-991.3	34.7
641/8	2 121.2	0.0
consumption g&s (B)	507 047.6	34.7
62	87 658.7	0.0
640	5 521.6	0.0
740	1 237.8	0.0
gross value added (C)	142 853.1	-34.7
gross operating surplus (D)	50 910.6	-34.7

Adjustment (x): units for which an ad hoc calculation is performed

Adjustment (x1)

Additions are made here for hospitals (for which overall information is available via the FPS Public Health) and for the production of and investments in originals .

The value added for hospitals is EUR 7167 million (97.6% of the total of x1).

headings annual accounts	amounts before adjustment	adjustment (x1)
70	628 311.9	12 283.3
71	-1 312.0	0.0
72	3 240.7	177.9
74-740	19 660.1	448.5
operating income (A)	649 900.7	12 909.7
600/8+61	505 917.7	5 476.7
609	-991.3	1.3
641/8	2 121.2	86.7
consumption g&s (B)	507 047.6	5 564.7
62	87 658.7	6 491.7
640	5 521.6	10.2
740	1 237.8	366.7
gross value added (C)	142 853.1	7 345.0
gross operating surplus (D)	50 910.6	1 209.8

Adjustment (y): grossing up to take into account the black economy

In the official databases (annual accounts, VAT returns, NSSO returns) we do of course only find the official part of business activities. In column (y) '*undeclared sales, purchases and wages and salaries'* are recorded in order to bring the official figures better into line with the economic reality. The extrapolation percentages are determined per NACE 3 or 4 digit and are only applied to the official amounts estimated for SME corporations (categories B.1, B.2, B.3, C1 and C2).

Since undeclared wages and salaries are paid net (excluding social security contributions and payroll tax) the ratio wages and salaries/value added for undeclared activities is lower than for regular activities. The extrapolation on account of undeclared activities is EUR 5 871 million for value added and EUR 926 million for wages and salaries in S.11.

headings annual accounts	amounts before adjustment	adjustment (y)
70	628 311.9	15 454.6
71	-1 312.0	0.0
72	3 240.7	0.0
74-740	19 660.1	0.0
operating income (A)	649 900.7	15 454.6
600/8+61	505 917.7	9 584.0
609	-991.3	0.0
641/8	2 121.2	0.0
consumption g&s (B)	507 047.6	9 584.0
62	87 658.7	925.8
640	5 521.6	0.0
740	1 237.8	0.0
gross value added (C)	142 853.1	5 870.6
gross operating surplus (D)	50 910.6	4 944.8

Adjustment (z)

This adjustment is specific for a number of industries (auctions, games of chance, trade in gas and electricity, etc.). By analogy with trade, production must also be calculated here as a 'margin'. There is no impact on value added. Turnover and purchases are adjusted downwards by the same amount.

Adjustment (aa): reconciliation entries

In this column business taxes and operating subsidies and insurance premiums, as these can be deduced from the accounts of non-financial corporations, are reconciled with the totals known from the general government account or the accounts of insurance corporations. So as not to distort the budget identity, the amounts are entered in line 640 and 740, with a counterpart in purchases or turnover.

- reconciliation of accounts 640 and 740 (after adjustments) with D.29 and D.39

For each year an apportionment of D.29 and D.39 is estimated per institutional sector based on the total amounts that we know from the general government account and the rest of the world account. The apportionment by sector is carried out as a function of the nature of the taxes and subsidies.

Via the annual accounts and the SBS information is available from payers (business taxes) and recipients (operating subsidies).

In adjustment (aa) the information from corporate accounts is aligned with the exogenous amounts known from the general government account.

For business taxes this gives the following figures:

opening amount 640 from the annual accounts	5 521.6
adjustments on line 640 (excise duties, non-deductible VAT, etc.)	-2 579.7
additional adjustment (aa2)	-512.0
D.29 in S.11	2 429.9

The business taxes are additionally reduced by EUR 512 million in adjustment (aa). There is a counterpart for this amount in the purchases assuming that it relates to taxes on products that from the point of view of the national accounts was incorrectly entered in account 640 (this is for example the case for non-deductible VAT on current purchases of goods and services that must be allocated to intermediate consumption).

For operating subsidies we get the following situation:

opening amount 740 from the annual accounts (after computation)	1 237.8
adjustments to line 640 (interest subsidies, hospitals, basic prices, etc.)	+590.4
additional adjustment (aa1)	+287.0
D.39 in S.11	2 115.2

The operating subsidies are additionally raised with EUR 287 million in adjustment (aa). This amount has a counterpart in turnover. Here it is assumed that these are other subsidies on production that were incorrectly recorded in heading 70 and were not indicated in the SBS

- reconciliation of insurance premiums paid with insurance premiums received

Here we assume that all insurance premiums were properly recorded under the heading purchases of goods and services. The information available via the SBS (premiums paid) is not fully consistent with the insurance corporation data (premiums received). The adjustment for insurance premiums already made [adjustment (l)] based on insurance premiums paid per industry must therefore be reconciled with the total premiums received (the transfer part is deducted from purchase of goods and services).

For non-life insurance premiums we get the following situation:

elimination of transfer part of premiums from acquisitions based on information from the structure survey (payers) (adj. (l))	-946.0
adjustment taking into account info from insurance corporations (recipients) (adjustment aa3)	+151.3
final adjustment of intermediate consumption on account of non-life insurance premiums	-794.7

headings annual accounts	amounts before adjustment	adjustment (aa1)	adjustment (aa2)	adjustment (aa3)	total (aa)
70	628 311.9	-287.0			-287.0
600/8+61	505 917.7		512.0	151.3	663.3
640	5 521.6		-512.0		-512.0
740	1 237.8	287.0			287.0
D.71				-151.3	-151.3

(aa1): reconciliation other subsidies on production received and paid

(aa2): reconciliation other taxes on production paid and received

(aa3): reconciliation non-life insurance premiums paid and received

Adjustment (ab): reclassification of sheltered jobs industry

Enterprises that provide sheltered jobs for the disabled have NACE-BEL code 85.322 but must be allocated to the industries that correspond to their actual activity (mainly manufacturing). This transfer is made via adjustment (ab). The sum of the positive and negative amounts (total S.11) is of course equal to 0.

Adjustment (ac): grossing up for contract work

The annual accounts only include payments that relate to the execution of contract work. If a Belgian company carries out contract work for account of a foreign company the service invoiced to this foreign company will be included in the turnover of the Belgian enterprise. On the other hand, if a Belgian company sends goods to a foreign company to have them processed there, the payment to the foreign corporation for the service provided is included in the purchases of the Belgian company.

Since the figures for external trade represent the value of goods movements before and after contract work, the accounting figures must be (grossed up) to get consistent figures relating to imports/intermediate consumption, and production,exports.

example: Belgium refines crude oil for account of France

value of crude oil	100 (imported)
production cost	40 (included in turnover of Belgian refinery)
value of refined products	140 (exported)

The import of crude oil is not recorded as a purchase by the refinery because no ownership transfer takes place.

The following transactions are recorded in the SUT:

	production	imports	intermediate	exports
			consumption	
crude oil		100		100
refined oil products		140		140

Initially we only have a production value (and export of custom production service) of 40. The turnover and purchases must therefore be augmented with 100 (i.e. value of crude oil) in order to get aggregates that are consistent with the import and export figures.

headings annual accounts	amounts before adjustment	adjustment	(ac)
70	628 311.9	7 804.7	
600/8 +61	505 917.7		7 804.7

Adjustment (ad): arbitrage in the output approach

In the healthcare and social services sectors (NACE 85) and recreation, culture and sport (NACE 92) adjustments were made in the output approach in order to bring this better into line with the expenditure approach. It was also necessary to adjust the amounts of the subsidies in a few industries taking into account external information. These adjustments are of limited size (downward adjustment of value added by EUR 54 million).

Adjustment of FISIM

In estimating and allocating FISIM it is decided what part must be allocated to the intermediate consumption of S.11. This amount (EUR 2 678 million) is apportioned over the underlying industries in proportion to production.

3.3.1.2.2. Households (S.14)

Also for unincorporated enterprises the administrative aggregates are converted into ESA 1995 aggregates. In a number of cases (housing services, private households with employees, originals, production of own dwellings) the administrative figures are supplemented with exogenously estimated amounts (x_1 and x_2). Since we have much less information available for the self-employed the adjustments are only calculated for goods for resale (d), bank charges (k), insurance premiums (l), gratuities (q), and black economy (y). Business taxes and subsidies are also reconciled with the total figure (apportioned over sectors) known from the general government account (aa). This is also the case for wages and salaries (b).

For 2003 this involves the following amounts:

	70	71	72	74-740	A	600/8+61	609	641/8	B	62	640	740	C=A-B	D=C-62-640+740
	41 615.1	-97.5	131.6	0.3	41 649.4	23 168.4	0.7	0.2	23 169.2	1 969.9	174.1	38.7	18 480.2	16 374.9
(b)										-30.5				30.5
(d)	-10 291.5				-10 291.5	-10 291.5			-10 291.5					
(k)						22.4			22.4				-22.4	-22.4
(l)						-369.8			-369.8				369.8	369.8
(P.1)	5.7				5.7					5.7			5.7	5.7
(g)	107.1				107.1					42.1			107.1	65.0
(x1)	5 137.8		18 527.2		23 665.0	2 338.9			2 338.9	909.0	2 294.1		21 326.1	18 123.0
(x2)	1 179.7				1 179.7	156.5			156.5		119.3		1 023.2	903.9
(y)	8 289.2				8 289.2	4 030.8			4 030.8	91.6			4 258.4	4 166.8
(aa)										-57.0	3.8			60.8
FISIM						2 503.9			2 503.9				-2 503.9	-2 503.9
	46 043.1	-97.5	18 658.8	0.3	64 604.6	21 559.6	0.7	0.2	21 560.4	2 987.8	2 530.5	42.5	43 044.2	37 568.4
					P.1				P.2	D.1	D.29	D.39	B.1g	B.2g/B.3g

The extrapolation for undeclared work in terms of value added is EUR 4 258 million in S.14 which in relative terms is much greater than in S.11. The undeclared wages and salaries paid by the self-employed to their staff are determined at a flat rate of 5% of the officially stated white wages and salaries (EUR 92 million in 2003).

3.3.2. Financial corporations (S.12)

The transition from the administrative concepts used in the accounting of financial institutions to national accounts concepts is described in the calculation of value added (cf. 3.16).

3.3.3. General government (S.13)

3.3.3.1. From public accounting to national accounts

3.3.3.1.1. General

For most public entities which are part of general government, almost complete accounting information is available (i.e. the "economic regrouping"), generally for categories of units⁶³. These data are processed in an integrated manner, so that all non-financial transactions are compiled only once, in accordance with both the institutional subsector approach and the branch-of-activity approach. Generally speaking, the distinction between administrative services, transport, education and the military is available directly from the economic regrouping. This functional distinction facilitates the transition to branch-of-activity data. The accounts of the institutional subsectors and branches of activity are thus compiled simultaneously, ensuring complete consistency between the two perspectives. This makes it possible to obtain all the elements necessary for calculating GDP from three approaches: taxes on production and imports (D.2), subsidies (D.3), gross fixed capital formation (P.51), etc. More detailed analyses in terms of products within the framework of the SUT and of functions (COFOG) are done at later stages.

Differences in definitions and in the conceptual approach to various flows between the Benelux economic classification and ESA 1995 necessitate a series of adjustments to bring the former into line with the latter. For these different accounting data (individual or amalgamated), we compile conversion tables between the available items and ESA 1995. These conversion tables are updated at each accounting exercise to accommodate innovations and changes.

The detailed descriptions of the calculations of the various flows will be illustrated on the basis of the Benelux nomenclature used in 2003 by the Federal Government and by the Communities and Regions.

For institutes for which complete accounting records are not available (universities, subsidised private schools, social protection funds), i.e. which appear only partially in economic regroupings, various

⁶³ The economic regroupings described above (cf. 3.1.4.4.1) represent data for a category of units. Only certain units not included in these reclassifications are processed individually.

resource and expenditure items are estimated using known values, on the assumption that the balance of funding of these institutes is zero.

The economic regroupings thus completely disregard the specific revenue (i.e. revenue other than transfers in budgets) and corresponding expenditure of schools and universities, including boarding schools and school canteens. The following list shows the main categories of specific revenue (i.e. other than subsidies paid by Communities and Regions):

- schools (state-controlled or independent)
 - gifts and bequests from households;
 - revenue from fêtes and other events organised by parents' associations;
 - gifts from religious organisations (for denominational private education);
 - miscellaneous activities by parents (photocopying costs, school trips, etc.);
 - rents for halls and sports facilities used by third parties outside of school hours;
 - interest on financial assets (current and investment accounts);
 - school monitoring;
 - pupil accommodation charges at boarding schools;
 - meals consumed in refectories by outsiders;
 - sales of goods and services produced by schools (mainly by technical and vocational departments).
- universities (state-controlled or private)
 - gifts and bequests from households;
 - research and development contracts with businesses;
 - regional aid for research;
 - aid from the National Scientific Research Fund (NSRF) and associated funds (the NSRF and the NSRF/FWO-Vlaanderen fill in an employer's declaration for the NSSO and are included under Communities and Regions);
 - course enrolment and examination fees;
 - rents for student accommodation;
 - meals consumed in refectories;
 - interest on financial assets (current and investment accounts).

Expenditure covered by this revenue includes the remuneration of certain university research staff, the operating costs of boarding schools and canteens, bursaries and awards to deserving pupils, investments in information technology, etc.

Accounts currently include only the following headings as specific revenue:

- part of gifts from households (the difference between investments of private educational establishments and investment subsidies from the Communities);
- course enrolment and examination fees, school monitoring, pupil accommodation charges at boarding schools and meals consumed in refectories by outsiders, estimated on the basis of HBS data (source: DGSEI). The first two of these items are regarded as non-market education service sales, the other two as secondary market sales of hotel and restaurant services by non-market education. The corresponding expenditure is assumed to equal the resources and be part of intermediate consumption. As it is not possible to distinguish between education networks, all the transactions are assigned to independent education;
- an estimate for research contracts: this revenue is considered as market secondary sales of research services by non-market education and the corresponding expenditure is assumed to represent remuneration. The estimate is based on comparison of remuneration paid by the universities based on NSSO data and that based on budgetary transfers.

3.3.3.1.2. Recording on accruals basis

The national accounts are mainly a system for recording economic events in terms of the monetary payments to which they give rise: payment for the purchase of a good, payment of a wage or salary, payment of a tax, etc. In some cases, there is a timelag between the economic event which gives rise to the payment and the payment itself. A decision therefore has to be made as to the date of recording. In addition, the amount to be recorded may vary according to the choice of date. Thus, if a payment is never effected due to the debtor's bankruptcy, there will be recording of an amount equal to the missing payment if the date of the economic event is chosen as the date of recording; conversely, no amount will be recorded if it is decided to use the actual date of payment. ESA 1995 is based on the principle that the economic event is decisive, and that flows should be entered on an accruals basis, except that tax and parafiscal revenues that are due but never collected should not be taken into account⁶⁴.

With social security administrations, the problem is relatively simple, since in most cases they record the amounts in question on an accruals basis. In certain cases social contributions will never be paid

⁶⁴ It has been made clear that the evaluation of tax and parafiscal revenues should reflect the amounts actually collected, at least in the medium term. In other words, tax and parafiscal revenue in the national accounts should only differ from the cash basis to the extent that there are timing differences (cf. Regulation (EC) No 2516/2000 of the European Parliament and of the Council of 7 November 2000 modifying the common principles of the European system of national and regional accounts (ESA 1995) as regards taxes and social contributions and amending Council Regulation (EC) No 2223/96).

(e.g. if the contributor goes bankrupt). Which amount should be recorded: the amount declared or the amount actually paid? As previously indicated, the basic principle is that taxes and social contributions which are due but never paid may have a positive impact on the deficit, so an adjustment is needed to eliminate the portion of social contributions which will never be paid.

The problem is more complicated in the case of taxes recorded in budgets on a cash basis. Some, such as VAT, are based on self-assessment whereby the taxpayer sends the tax authority a return showing the amount of tax payable, which he/she pays in due course. In the case of VAT, an adjustment is made for the time difference between the date of payment and the period to which it refers. For any given year, revenues relating to economic transactions which took place during the previous year have to be deducted from the cash-based VAT amount; symmetrically, revenues in respect of economic transactions taking place during the year in question but collected the following year have to be added. This approach, which gives the amount of VAT on a "time-adjusted cash" basis, is the chosen option⁶⁵.

For other taxes, particularly personal income tax and corporation tax, the authority issues assessments for payment. The date on which the assessment is issued is taken as the time of recording, rather than the year in which the revenue is generated. There is a problem with the amount to be recorded, since assessments issued are usually for amounts higher than those actually collected. Here again it was decided to record only adjusted cash revenue relating to the period between the date on which the assessment is issued and the due date or final date for payment without penalty.

⁶⁵ In practice, we simply time-shift revenues relating to the period between the date of the economic transaction which gives rise to the tax charge and the date on which the amount falls due. Adjustments for late payment are only made where the payments are substantial and the amounts are known.

The following table lists the taxes recorded on a "time-adjusted cash" basis, and the number of months for which the time shift is made.

	Time shift	Subsectors involved
VAT (D.211)	1 month	S.1311
Tax on stock exchange transactions (D.214C)	1 month from 01/04/2002	S.1311
Tobacco excise duties (D.2122C and D.214A)	3 months to 31/12/96 2 months from 01/01/97	S.1311
Tax on income from immovable assets and supplements thereto (D.29A)	2 months	S.1312 and S.1313
Tax on income from movable assets (D.51A and D.51B)	1 month	S.1311
Payroll tax (D.51A)	1 month	S.1311
Assessments and supplements issued to physical persons and assessments issued to enterprises (D.51A and D.51B)	2 months	S.1311 and S.1313
Road tax (D.29B and D.59D)	1 month	S.1311
Inheritance tax (D.91B)	2 months	S.1312

Interest is also a factor here. According to ESA 1995 interest should be recorded as soon as it accrues, even if it is not yet due. Budgets record interest at the date on which it is paid/received. However, interest is not always paid/received during the life of a financial instrument. The interest on some financial products (e.g. zero-coupon bonds) is not paid until the end of the contract. ESA 1995 therefore requires interest paid/received to be spread over the whole life of the financial instrument: this is known as *pro rata temporis* recording. The difference between years is considerable, depending on the level of public-sector debt.

Compensation of employees is also affected. Royal Decree No 279 of 30 March 1984 on the post-payment of the salaries of certain public-sector staff stipulates that the payment of December salary must take place on the first working day of the following January. However, the impact of one month's time-shift of remuneration has always been quite small⁶⁶, except when it was first applied in 1984.

For all other transactions of the Federal Government, Communities and Regions, we normally use the amounts recorded in the budgets, i.e. on a cash basis for revenue and on the basis of payment orders

⁶⁶ In practice, no adjustment has been made since 1984.

for expenditure. The same applies to local authorities, for which revenue is net accruals and expenditure is spending commitments.

As well as the aforesaid adjustments applied systematically each year, particular adjustments to correct one-off occurrences are also applied.

3.3.3.2. Output and branches of activity of general government

The general government sector mainly produces non-market goods and services; its output is measured in terms of production costs. The sector may also, secondarily, be involved in the market output of goods or services, which is valued at basic prices.

This output of non-market goods and services is consumed by the sector which produces it (collective actual final consumption), by the household sector (individual actual final consumption) or by sectors which purchase part of it (payments in respect of other non-market output). Payments in respect of other non-market output correspond to sales by non-market branches of activity which do not cover 50% of production costs (e.g. museum entry tickets, course enrolment and examination fees).

Market output comprises sales by market branches of activity (e.g. by the Belgian Official Gazette publishing house) and sales of goods and services by non-market branches of activity which cover at least 50% of production costs (e.g. charges for garbage disposal, sales of felled timber). These latter sales are only considered market sales if it is beyond doubt that the resulting revenue covers at least 50% of production costs; sales where the production cost percentage covered is completely unknown are, by convention, treated as payments in respect of other non-market output. They are determined as a balancing item and therefore have an "overspill" effect.

Output for own final use comprises investments effected in-house. Although this is prescribed by ESA 1995, it has not been possible to include a net operating surplus in the evaluation of output for own account.

It follows that this output for own account has no impact on the value added of the non-market activity which produces it. The same is clearly true of payments in respect of other non-market output and sales of market goods and services by non-market branches of activity.

The results for institutional units of general government are:

Output (P.1) = compensation of employees (D.1) + intermediate consumption (P.2) + consumption of fixed capital (K.1)

and

Non-market output (P.13) = output (P.1) - market output (P.11)
- output for own final use (P.12)

As elsewhere, other taxes on production (D.29) and other subsidies on production (D.39) are deemed to be zero⁶⁷ in the case of the output of general government, resulting in two equations:

Case where the output of an institutional unit is exclusively non-market:

Gross value added = compensation of employees (D.1) + consumption of fixed capital (K.1)

Case of a local secondary kind-of-activity unit (KAU) which is a market producer:

Gross value added = compensation of employees (D.1) + consumption of fixed capital (K.1) + net operating surplus (B.2n)

The various branches of activity in the general government sector appear in the following table:

A31 level	SUT level	Market or non-market	Sub-sectors
Paper and cardboard industry; printing and publishing (DE)	Belgian Official Gazette (22A1)	M	S.1311
Trade; repair of motor vehicles and household articles (GG)	Management of agricultural or food products by Belgian Intervention and Refund Office (51A1)	M	S.1311
Transport, storage and communications (I)	Public transport (60B.3)	NM	S.1312
	Management of transport infrastructures (63B.3)	NM	S.1312/S.1313
General government (L)	General government, except defence and social security (75A3) ⁶⁸	NM	S.1311/ S.1312/ S.1313
	Defence (75B.3)	NM	S.1311
	Compulsory social security (75C3)		S.1314
Education (M)	Public-sector education (80A3)	NM	S.1311/ S.1312/ S.1313
Collective, social and personal services (O)	AQUAFIN (90A)	NM	S.1312
	RTBF, VRT and BRF (92A3)	NM	S.1312
	National lottery (92D.1) ⁶⁹	M	S.1311

⁶⁷ These amounts are not zero, but they are small. As a reliable estimate is not possible, they are deemed to be zero.

⁶⁸ It follows that non-market units of general government operating "Health and social work activities" (N) and "Collective, social and personal services" (O), other than those listed in the table, are classified to the general government sector (L).

Certain branches of activity were created to avoid gaps between branches in cases where units are reclassified to non-financial corporations (S.11) and general government (S.13):

- in 1991, the regional transport companies (SRWT, TEC, De Lijn, STIB-MIVB) that took over from Société Nationale des Chemins de Fer Vicinaux (SNCV) and from the multi-commune public transport companies were classified to the general government sector;
- in 1992 the national lottery was classified to the non-financial corporations sector;
- in 2002, public radio and television companies were reclassified to the general government sector;
- in 2005, AQUAFIN was reclassified to the non-financial corporations sector.

This new breakdown by branch of activity improves the presentation of the activities of general government. At a time when there was much discussion of the use of public-private partnerships for future transport infrastructure developments (DIABOLO, BAM etc.) to avoid having to record investment expenditure on them in the public sector accounts, it was not very logical that infrastructures that were similar but operated by non-market public producers should be recorded under general government (L) and not under transport, storage and communications (I).

Nevertheless, this presentation by branch of activity is not perfect, since many small units operating in health and social work (N) and collective, social and personal services (O) remain classified to general government (L).

The only two local secondary kind-of-activity units (KAUs) which are also market producers⁷⁰ are the Belgian Official Gazette publishing house and the commercial activities of the Belgian Intervention and Refund Office (BIRO).

The boundaries of non-market branches of activity in the various subsectors are defined on the basis of the previously mentioned Benelux functional classifications (cf. 3.1.4.4.1).

In the COFOG functional classification, fundamental scientific research is classified to "General services of general government" and applied scientific research is always treated as part of the function to which its purpose is related. Conversely, in the nomenclature of activities, "Education"

⁶⁹ Up to 1991. In 1992 the national lottery, which had previously been a separately managed state operation, became a semi-state incorporated body and was reclassified to the non-financial corporations sector.

⁷⁰ Although the sale of its products is its main source of revenue, the national lottery, which was a separately managed state service, was not treated as a quasi-corporation, and continued to be regarded as part of Federal Government sector until 1991. In 1992, it became a category C public interest organisation and has therefore since been an institutional unit in the non-financial corporations sector (S.11).

includes fundamental scientific research by universities and certain institutional units which are in the general government sector⁷¹.

3.3.3.3. Production account and operating account of general government

Branches of activity of general government	2003 (millions of euros)
Total S.13	
Output (P.1)	48 659,0
Market output (P.11)	1 825,9
Output for final use (P.12)	288,6
Other non-market output (P.13)	46 544,5
Intermediate consumption (P.2)	10 190,5
Gross value added (B.1g)	38 468,5
Consumption of fixed capital (K.1)	4 678,6
Compensation of employees (D.1)	33 764,9
Net operating surplus (B.2n)	25,0
Belgian Official Gazette (NACE DE, SUT 22A1)	
Output (P.1)	36,0
Market output (P.11)	36,0
Output for final use (P.12)	0,0
Other non-market output (P.13)	0,0
Intermediate consumption (P.2)	3,3
Gross value added (B.1g)	32,7
Consumption of fixed capital (K.1)	0,0
Compensation of employees (D.1)	7,0
Net operating surplus (B.2n)	25,7
Commercial activities of Belgian Intervention and Refund Office (NACE G, SUT 51A1)	
Output (P.1)	3,1
Market output (P.11)	3,1
Output for final use (P.12)	0,0
Other non-market output (P.13)	0,0
Intermediate consumption (P.2)	3,8
Gross value added (B.1g)	-0,7
Consumption of fixed capital (K.1)	0,0
Compensation of employees (D.1)	0,0
Net operating surplus (B.2n)	-0,7
General government (NACE L, SUT 75A3, 75B.3, 75C3: cf. 3.18)	
Output (P.1)	24 686,8
Market output (P.11)	1 212,8
Output for final use (P.12)	183,8
Other non-market output (P.13)	23 290,2
Intermediate consumption (P.2)	6 460,4
Gross value added (B.1g)	18 226,4
Consumption of fixed capital (K.1)	1 562,3
Compensation of employees (D.1)	16 664,1
Net operating surplus (B.2n)	0,0

⁷¹ This method differs from ESA 1995, in which local kind-of-activity units (KAUs) in the general government sector which operate in scientific research (fundamental and/or applied) are included under "Research" (NACE 73). This choice is justified solely on practical grounds relating to the availability of basic data under the Benelux functional classification.

Public-sector education (NACE M, SUT 80A3: cf. 3.19)	
Output (P.1)	17 835,1
Market output (P.11)	351,3
Output for final use (P.12)	71,7
Other non-market output (P.13)	17 412,1
Intermediate consumption (P.2)	1 853,7
Gross value added (B.1g)	15 981,4
Consumption of fixed capital (K.1)	1 055,5
Compensation of employees (D.1)	14 925,9
Net operating surplus (B.2n)	0,0
Aquafin (SUT90A3)	
Output (P.1)	146,6
Market output (P.11)	0,0
Output for final use (P.12)	0,0
Other non-market output (P.13)	146,6
Intermediate consumption (P.2)	73,5
Gross value added (B.1g)	73,1
Consumption of fixed capital (K.1)	35,7
Compensation of employees (D.1)	34,4
Net operating surplus (B.2n)	0,0
De Lijn, STIB, TEC (SUT60B.3)	
Output (P.1)	1 552,4
Market output (P.11)	0,0
Output for final use (P.12)	27,1
Other non-market output (P.13)	1 525,3
Intermediate consumption (P.2)	559,5
Gross value added (B.1g)	992,9
Consumption of fixed capital (K.1)	134,6
Compensation of employees (D.1)	858,3
Net operating surplus (B.2n)	0,0
Transport infrastructures (SUT63B.3)	
Output (P.1)	3 768,5
Market output (P.11)	0,0
Output for final use (P.12)	0,0
Other non-market output (P.13)	3 768,5
Intermediate consumption (P.2)	957,2
Gross value added (B.1g)	2 811,3
Consumption of fixed capital (K.1)	1 852,0
Compensation of employees (D.1)	959,3
Net operating surplus (B.2n)	0,0
RTBF, VRT, BRF (SUT92A3)	
Output (P.1)	630,5
Market output (P.11)	222,7
Output for final use (P.12)	6,0
Other non-market output (P.13)	401,8
Intermediate consumption (P.2)	279,1
Gross value added (B.1g)	351,4
Consumption of fixed capital (K.1)	35,5
Compensation of employees (D.1)	315,9
Net operating surplus (B.2n)	0,0

3.3.4. Non-profit institutions serving households (S.15)

Given the method used to calculate the output or final consumption of NPISHs, this item is not applicable. The aggregates are calculated directly using ESA 1995 definitions.

3.4. DIRECT AND INDIRECT METHODS OF CALCULATION

The table below gives per NACE group, or per NACE class where this is relevant for delimiting SUT branches, and per category (subpopulation) the method used to estimate the administrative aggregates.

The methods used are:

AR	annual accounts or annual report
VAT1	turnover and acquisitions are taken from VAT returns
VAT2	turnover is taken over from VAT, acquisitions are computed
NSSO1	extrapolation of turnover and acquisitions via wage and salary data
NSSO2	extrapolation of turnover and acquisitions via wage and salary data (where B.2n = 0)
AD	administrative data
S	survey
PIT	personal income tax
PQ	price and quantity data

The methods (VAT1, VAT2, NSSO1, NSSO2) and categories (A1, A2, B.1, B.2, C1, C2, B.3, H) are described for the transition from administrative aggregates to ESA 1995 aggregates (cf. 3.3.1.1.1).

NACE	SUT	S.11						S.14	S.12	S.13	S.15
		A1	A2	B.1/C1	B.2/C2	B.3	H				
01.1	01A1	PQ	PQ	PQ	PQ	PQ	PQ	PQ	n.s.	n.s.	n.s.
01.2	01A1	PQ	PQ	PQ	PQ	PQ	PQ	PQ	n.s.	n.s.	n.s.
01.3	01A1	PQ	PQ	PQ	PQ	PQ	PQ	PQ	n.s.	n.s.	n.s.
01.4	01A1	PQ/S	PQ/S	PQ/S	PQ/S	PQ/S	PQ/S	PQ/S	n.s.	n.s.	n.s.
01.5	01A1	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
02.0	02A1	PQ	PQ	PQ	PQ	PQ	PQ	PQ	n.s.	n.s.	n.s.
05.0	05A1	PQ/ VAT1	PQ/ VAT1	PQ/ VAT1	PQ/ VAT1	PQ/ VAT1	PQ/ VAT1	PQ/ VAT1	n.s.	n.s.	n.s.
10.1	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
10.2	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
10.3	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
11.1	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
11.2	n.s.	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
12.0	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
13.1	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
13.2	n.s.	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
14.1	14A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
14.2	14A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
14.3	14A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
14.4	14A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
14.5	14A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.1	15A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.2	15B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.3	15C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.4	15D.1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
15.5	15E1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.6	15F1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
15.7	15G1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.

26.3	26B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
26.4	26B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
26.5	26C1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
26.6	26D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
26.7	26D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
26.8	26D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
27.1	27A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
27.2	27A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
27.3	27B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
27.4	27B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
27.5	27B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.1	28A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.2	28A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.3	28A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.4	28A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.5	28B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.6	28C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
28.7	28C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.1	29A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.2	29B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.3	29C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.4	29C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.5	29C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.6	29C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
29.7	29D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
30.0	30A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.1	31A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.2	31A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.3	31A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.4	31B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.5	31B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
31.6	31B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
32.1	32A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
32.2	32A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
32.3	32A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
33.1	33A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
33.2	33A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
33.3	33A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
33.4	33A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
33.5	33A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
34.1	34A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
34.2	34B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
34.3	34B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
35.1	35A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
35.2	35A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
35.3	35A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
35.4	35B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
35.5	35B.1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
36.1	36A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
36.2	36B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
36.3	36C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
36.4	36C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
36.5	36C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
36.6	36C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
37.1	37A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.

37.2	37A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
40.1	40A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
40.2	40A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
40.3	40A1	AR	VAT2/S	AR	AR	VAT1	VAT2	VAT1	n.s.	n.s.	n.s.
41.0	41A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.1	45A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.21	45B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.22	45B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.23	45C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.24	45C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.25	45C1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.3	45D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.4	45E1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
45.5	45E1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
50.1	50A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
50.2	50A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
50.3	50A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
50.4	50A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
50.5	50B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.1	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.2	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	AD	n.s.
51.3	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.4	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.5	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.8	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
51.9	51A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.1	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.2	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.3	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.4	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.5	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.6	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
52.7	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
55.1	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
55.2	52A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
55.3	55B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
55.4	55B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
55.5	55B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
60.1	60A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
60.21	60B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
60.22	60B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
60.23	60B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
60.24	60C1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
60.3	60C1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
61.1	61A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
61.2	61B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
62.1	62A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
62.2	62A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
62.3	62A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
63.1	63B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
63.2	63B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
63.3	63A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
63.4	63B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
64.1	64A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1	n.s.	n.s.	n.s.
64.2	64B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.

65.11	65A2	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AR	n.s.	n.s.
65.12	65A2	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AR	n.s.	n.s.
65.2	65A2	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AR/NSSO	n.s.	n.s.
66.0	66A2	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AR/NSSO /S	n.s.	n.s.
67.1	67A1	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AR/NSSO	AR/NSSO	n.s.	n.s.
67.2	67A1	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AD/NSSO	AR/NSSO	n.s.	n.s.
70.1	70A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1/S	n.s.	n.s.	n.s.
70.2	70A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1/S	n.s.	n.s.	n.s.
70.3	70A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO1	VAT1/S	n.s.	n.s.	n.s.
71.1	71A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
71.2	71A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
71.3	71B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
71.4	71B.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.1	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.2	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.3	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.4	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.5	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
72.6	72A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
73.1	73A1/73A5	AR	VAT2/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	S/NSSO
73.2	73A1/73A5	AR	VAT2/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	S/NSSO
74.11	74A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	PIT	n.s.	n.s.	n.s.
74.12	74A1	AR	VAT2/S	AR	AR	VAT2	NSSO2	VAT1	n.s.	n.s.	n.s.
74.13	74A1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.14	74B.1	AR	VAT2/S	AR	AR	VAT2	NSSO2	PIT	n.s.	n.s.	n.s.
74.15	74B.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.2	74C1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.3	74C1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.4	74D.1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
74.5	74E1	AR	NSSO1/S	AR	AR	NSSO1	VAT2	VAT1	n.s.	n.s.	n.s.
74.6	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.7	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.81	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.82	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.85	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.86	74F1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
74.87	74F1	AR	VAT1	AR	AR	VAT1	NSSO2	VAT1	n.s.	n.s.	n.s.
75 excl 75.22. 75.3	75A3	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AD	n.s.	
75.22	75B.3	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AD	n.s.	
75.3	75C3	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	AD	n.s.	
80.1_3	80A1/80A3/ 80A5	AR	NSSO1	AR	AR	NSSO1	S/NSSO	n.s.	n.s.	AD	S/NSSO
80.4	80A1/80A5	AR	NSSO1	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	S/NSSO
85.11	85A1	n.s.	AR/AD	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
85.12	85A1	AR	NSSO1/E	AR	AR	NSSO1	S/NSSO	PIT	n.s.	n.s.	n.s.
85.13	85A1	AR	NSSO1/E	AR	AR	NSSO1	NSSO2	PIT	n.s.	n.s.	n.s.
85.14	85A1	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	PIT	n.s.	n.s.	n.s.
85.2	85B.1	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	PIT	n.s.	n.s.	n.s.
85.31	85C1/85C5	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	S/NSSO
85.32	85C1/85C5	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	S/NSSO
90.0	90A1	AR	VAT2/S	AR	AR	VAT2	NSSO2	VAT1	n.s.	n.s.	n.s.
91.1	91A1	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	n.s.
91.2	91A5	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	S/NSSO
91.3	91A1/91A5	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	S/NSSO

92.1	92A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
92.2	92A1	AR	VAT2/S	AR	AR	VAT2	S/NSSO	VAT1	n.s.	n.s.	n.s.
92.3	92B.1	AR	NSSO2/S	AR	AR	NSSO2	S/NSSO	VAT1	n.s.	n.s.	n.s.
92.4	92C1	AR	VAT2/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
92.5	92C1/92C5	AR	NSSO1/S	AR	AR	NSSO1	S/NSSO	VAT1	n.s.	n.s.	S/NSSO
92.6	92D.1/92D.5	AR	VAT2/S	AR	AR	VAT2	S/NSSO	VAT1	n.s.	n.s.	S/NSSO
92.7	92D.1	AR	NSSO1/S	AR	AR	NSSO1	NSSO2	VAT1	n.s.	n.s.	n.s.
93.0	93A1	AR	VAT2/S	AR	AR	VAT2	VAT2	VAT1	n.s.	n.s.	n.s.
95.0	95A4	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	S/NSSO	n.s.	n.s.	n.s.

To sum up the following can be concluded:

- in agriculture, forestry and fisheries mainly price and quantity information is used.
- the estimate of value added in non-financial corporations (except for agriculture, forestry and fisheries) is where possible based on the annual accounts (A1, B.1/C1, B.2/C2). In the absence of (usable) annual accounts the value added is deduced from the structure survey (A2) or computed via the VAT turnover or via the NSSO wages and salaries (B.3 and H). In industries where a lot of NPAs (H) are active the structure survey specifically designed for these units is used in combination with NSSO information.
- the estimate of value added in financial corporations is based on specific accounting information. If this is absent, a computation is carried out via the NSSO.
- value added for general government is estimated via specific administrative information.
- value added for households is estimated via fiscal sources:
 - *VAT for VAT-registered unincorporated enterprises;
 - *Personal tax for non VAT-registered self-employed persons (solicitors, self-employed directors, medical professions).
 in a limited number of industries (NACE 67, 70, 95) other sources are used.
- value added of non-market NPAs is estimated by extrapolating information from the structure survey via the wages and salaries.

3.5. DIRECT MEASUREMENT AND EXTRAPOLATION

Calculations are carried out by level, with the exception of the production of own housing services (cf. 3.17.3.1). For own housing services the value of the base year 2001 is extrapolated with price and volume indices.

3.6. EXHAUSTIVENESS

The exhaustiveness of the estimate is guaranteed by the general procedure followed: use of a business register including all (officially registered) enterprises (corporations, unincorporated enterprises, NPAs and other legal units).

A computation is made for the black economy (cf. 3.3.1.2. adjustments (y) for S.11 and S.14). The method used here is described in another part (cf. 7.2).

Exhaustiveness of the GDP is also obtained by correctly applying ESA 1995 definitions. In the output approach this is achieved by a detailed estimate of all the transitional components between administrative aggregates and the aggregates according to ESA 1995 (cf. 3.3).

Two specific adjustments can be indicated: the adjustment for wages and salaries in kind, and the adjustment for gratuities (cf. 3.3 and 7.2).

3.7. AGRICULTURE (A)

3.7.1. Introduction

In 2003, the value added of agriculture, hunting and forestry (Section A) amounted to 2 685.3 million euros, 1.1% of the value added of all industries combined. It was produced by two institutional sectors: non-financial corporations (S.11: €609.3 million) and households (S.14: €2 076.0 million).

Gross value added in section A, by industry and institutional sector (2003)

SUT code	Industry	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
01A1	Agriculture, hunting and related service activities	01.1	Cereals and horticulture			
		01.2	Animal husbandry			
		01.3	Mixed farming			
		01.4	Agricultural service activities			
		01.5	Hunting			
		01.0	<i>Subtotal</i>	554.8	2 027.5	2 582.3
02A1	Forestry, logging and related service activities	02.0	Forestry, logging and related service activities	54.5	48.5	103.0
Total section A				609.3	2 076.0	2 685.3

3.7.2. Method of calculation

The aggregates of the production and operating accounts for industries SUT 01A1 and SUT 02A1 are set out in the following table. The aggregates for non-financial corporations and for households are evaluated not by means of the general method (cf. 3.3) but by the specific methods described below.

Section A - Agriculture, hunting and forestry: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P.52 S	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52 U	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8			62	640	740	
Sector S.11														
Amount	1 453.9	-25.4	34.5	0	1 463.0	853.7	0	0	853.7	609.3	349.6	4.9	8.3	263.1
Sector S.14														
Amount	5 326.0	-97.0	131.6	0	5 360.6	3 284.6	0	0	3 284.6	2 076.0	110.9	14.6	19.3	1 969.8

3.7.3. Agriculture, hunting and related service activities (SUT 01A1)

3.7.3.1. Arable crops, horticulture and animal husbandry (NACE 01.1, 01.2 and 01.3)

NACE 01.1, 01.2 and 01.3 cover all the typical farming activities, i.e. arable crops, fruit and vegetable production and animal husbandry (the "agricultural sector"). They also cover fruit and vegetable growing and animal husbandry by non-agricultural households ("kitchen gardens").

The basic data for the agricultural sector were previously (up to 2002) supplied by the Agricultural Economics Centre (AEC), which came under the Ministry of Agriculture and Small Businesses. Since the data for 2003, it has been the Directorate General for Statistics and Economic Information (DGSEI, the former National Statistics Institute, NSI) that has taken over the previous responsibilities of the AEC and also produces the Economic Accounts of Agriculture for Eurostat.

The results of the national accounts for the output and intermediate consumption of the agricultural sector for 2003 were estimated from the results calculated by the DGSEI in preparing the Economic Accounts of Agriculture, by applying to the 2002 results of the national accounts the trends inferred from those Agricultural Accounts.

The results produced by the DGSEI show the following trends in the Agricultural Accounts (in millions of euros):

Output:	2002	7 174.4
	2003	6 805.3
Intermediate consumption:	2002	4 384.7
	2003	4 135.0
Value added:	2002	2 789.7
	2003	2 670.3

Applying the same trends to the 2002 national results leads to:

Output:	2002	7 031.2
	2003	6 671.8
Intermediate consumption:	2002	4 228.6
	2003	3 989.2
Value added:	2002	2 802.6
	2003	2 682.7

As the method for estimating 2003 is relatively simple, it will suffice to indicate how the results for 2002 were obtained.

Most of the data were obtained from the annual census (cf. 11.1.18) covering all persons whose principal or secondary activity is farming, all establishments with agricultural, horticultural or animal output (prisons, religious communities, rest homes, etc.) and all agricultural contractors, irrespective of whether or not they produce for own account. The main source for kitchen gardens is the Household Budget Survey (HBS, cf. 11.3.1) conducted by the DGSEI.

3.7.3.1.1. Output

At sector level, agricultural output is subdivided into three main activities: arable crops (cereals, industrial crops, etc.), horticulture (fruits, vegetables, cut flowers, ornamental plants, etc.) and animal husbandry.

Overall output P.1 is subdivided into:

- sales of agricultural products by agricultural units to other agricultural units or to other industries (P.11);
- changes in output stock (P.11): animals raised for meat are treated as inventory items;
- output for own use (P.12): agricultural products which farmers produce and retain for final consumption purposes;
- output of capital assets for own account (P.12): productive animals (i.e. animals farmed for products which they regularly produce: breeding animals, milkers, draught animals, sheep reared for wool, etc.) produced and kept by farmers for GFCF purposes;
- output intended for on-farm consumption or delivery to another agricultural holding (P.11). Unlike ESA 79, the notion of the "national farm" is no longer used, i.e. all transactions between agricultural units and all output consumed by the producing unit are recorded as output and the corresponding intermediate consumption as input.

The basic data provided by the AEC make it possible to break down the quantities of agricultural products into the various components of output P.1.

The AEC also gives a price for each agricultural product. Those consumed by the producer unit are also valued at producer prices, except non-marketable products, which are valued at production cost.

The total value of output of each product is therefore arrived at by multiplying the quantity by the producer price (production cost for non-marketable products).

In the case of non-agricultural households ("kitchen gardens"), output is estimated on the basis of the results of the HBS, which provides information on the value of the output of fruit and vegetables produced and consumed by households. Given that the sample of households varies from year to year, the products covered by the results may vary accordingly. A three-year moving average is therefore used to introduce an element of smoothing and obtain more accurate estimates of the various agricultural goods produced by households. It is assumed that households produce fruit and vegetables or raise animals which they consume themselves and therefore that output by households is output for final own consumption (P.12).

Output P.1 =		Sources	(millions of euros)
Agricultural sector output:			
- sales	P.11	AEC	+ 6 232.5
- changes in inventories	P.11	AEC	- 108.4
- GFCF	P.12	AEC	- 37.2
- output for own consumption by households	P.12	AEC	+ 16.5
- output consumed by the "national farm"	P.11	AEC	+ 180.5
Output of "kitchen gardens"	P.12	HBS	+ 201.3
TOTAL OUTPUT P.1			= 6 485.2
which breaks down as follows:	P.11		6 304.6
	P.12		180.6

3.7.3.1.2. Conversion to basic prices

The agricultural sector enjoys large subsidies, mainly under the common agricultural policy (CAP) but also under national or regional aid schemes. It is also subject to certain specific taxes. It is therefore essential to know the total annual value of these taxes and subsidies and to be able to classify them, according to their characteristics, to D.319 or D.39 (or possibly D.99) and D.214 or D.29. If the taxes or subsidies are deemed to be taxes or subsidies on products, they are included directly in the conversion to the basic price. The conversion to basic prices affects output in the agricultural sector because it is subsidised and/or imposed on products but does not affect the output of non-agricultural households.

The values of agricultural subsidies and taxes, at European or national level, are supplied by the AEC. They are classified mainly on the basis of the classification of taxes and subsidies set out in the Manual on Economic Accounts for Agriculture and Forestry. This classification is based on analysis of each type of subsidy and/or tax and its purpose. It allows the overall value of subsidies on products (D.319) and taxes on products (D.214) to be calculated.

The conversion to basic prices is done by adding the value of subsidies on products (D.319) to output (P.1) and subtracting the value of taxes on products (D.214).

	Sources	(millions of euros)
Output P.1 at producer prices		6 485.2
+ subsidies on products (D.319)	AEC	362.7
- taxes on products (D.214)	AEC	63.9
Output P.1 at basic prices		6 784.0

3.7.3.1.3. Intermediate consumption

Data on agricultural sector input are provided by the AEC, which uses its accounting network to evaluate intermediate consumption by farmers. It weights the micro-economic data obtained from agricultural holdings and extrapolates them to national level. The value of the various goods and services consumed is stated at purchase price.

The intermediate consumption corresponding to the output of kitchen gardens is estimated on the basis of the results of the HBS, which provides data on the input required for own output of non-agricultural households.

		Sources	(millions of euros)
Intermediate consumption =	Agricultural sector	AEC	4 074.7
	+ non-farming households	HBS	106.5
	= TOTAL		4 181.2

3.7.3.2. Agricultural and animal husbandry service activities (NACE 01.4)

The activities covered by this heading can be grouped into two categories: agricultural contract work at the agricultural output stage and "other" agricultural services.

Agricultural contract work services are directly linked to the agricultural sector and are included in its output and intermediate consumption. Only the activities of the second category are therefore covered below. The main services considered significant are the creation and upkeep of gardens and the grooming and boarding of domestic animals.

3.7.3.2.1. Output

Output is estimated by extrapolating, to Belgium as a whole, the HBS results relating to the consumption of the various services.

		Sources	(millions of euros)
Output =	Creation and upkeep of gardens	HBS	193.1
	+ grooming and boarding of domestic animals	HBS	42.9
	= TOTAL		237.0

3.7.3.2.2. Intermediate consumption

In the absence of information, intermediate consumption is assumed to fluctuate in line with output. It is valued as a fixed percentage (20%) of output, i.e. 47.4 millions of euros.

3.7.3.3. Hunting (NACE 01.5)

There is practically no hunting activity in Belgium. The heading covers only hunting and trapping for lucrative purposes. It excludes hunting as a leisure activity (NACE 92.62) and the output of skins or leather by abattoirs (NACE 15.11).

3.7.3.4. Farm tourism

Estimation of this activity is based on the assumption that its output equals 2% of private consumption of camping, apartment renting and accommodation with or without meals. The basic information comes from the HBS. 2002 output is estimated at 10.2 million euros. No estimate is made for corresponding intermediate consumption.

3.7.3.5. Sectoral breakdown S.11/S.14

Output and intermediate consumption for 2003 are broken down into S.11 and S.14 on the basis of a distribution key applied to the whole of NACE 01. The key is obtained by measuring the share of value added of sector S.11 calculated in accordance with the general method of aggregates (cf. 3.3) in the total value added of NACE 01 arrived at by the method described above. The key was calculated for 2000 (the latest year for which the aggregates were calculated), when it was 20%. A figure of 21% has been used since 2001.

Most of the value added of agriculture is therefore created by independent agricultural households, i.e. sector S.14.

It is assumed that the rate of value added is the same for self-employed households as for enterprises, and therefore that the ratio of output to intermediate consumption is the same for both sectors. The same key is therefore used to break down output and intermediate consumption. The results for 2003 are as follows:

	Sector S.11	Sector S.14	Total NACE 01
P.1	1 401.1	5 270.7	6 671.8
P.2	837.7	3 151.4	3 989.2
Value added	563.4	2 119.3	2 682.7

After the conversion adjustments (see elsewhere in this inventory), the final table is as follows:

	Sector S.11	Sector S.14	Total NACE 01
P.1	1 394.5	5 298.4	6 692.9
P.2	839.7	3 271.0	4 110.7
Value added	554.8	2 027.5	2 585.3

3.7.4. Forestry, logging and related service activities (SUT 02A1)

3.7.4.1. Output

The output of the forestry industry comprises the value of the raw wood sold and the value of new afforestation. 85% of Belgium's forest is in the Walloon Region. Most of it (about 60%) is privately owned, the remainder being subject to the "régime forestier", i.e. owned by Regions, municipalities or public institutions.

Data on the quantities of wood sold, by type and size, are available from the Walloon Region and are extrapolated to the total amount of wood covered by the "régime forestier" (applying the 85% assumption). Information on privately owned forests is difficult to obtain. An extrapolation is therefore made from fellings in "régime forestier" forests, to estimate the output of wood in Belgium as a whole, taking into account the ownership of the forest and its composition in terms of broadleaf and conifer trees.

Average selling prices of wood are also available from the Regions (net of VAT and sale costs). Prices vary considerably, depending on the type and quality of the wood.

The value of output is calculated by multiplying the quantities of wood produced from forests by the price, taking into account the various types and qualities of the wood sold (wood of varying thicknesses, pulpwood). The value of new afforestation (investment) also enters into the output calculation. Using this method of calculation the following results for the year 2000 are obtained.

		(millions of euros)
Output =	Conifer and broadleaf	114.9
	+ new afforestation	18.1
	= TOTAL	133.0

The output of Christmas trees, fruit plants and ornamental and nursery trees is not included in NACE 02 (forestry) but in NACE 01 (agriculture). This is because it is covered by the data supplied by the AEC on the cultivation of ornamental and nursery trees (same data source and method of evaluation) and with a view to consistency with Eurostat's Economic Accounts for Agriculture and Forestry, where these are included in agriculture (Manual of Economic Accounts for Agriculture and Forestry).

From 2001 onwards, the turnover trend according to the VAT returns of the enterprises covered by NACE 02 is applied to the year 2000 output value, resulting in a total global output for 2003 of **133.5** million euros.

3.7.4.2. Intermediate consumption

For want of information, intermediate consumption is assumed to fluctuate in line with changes in output. Up to the year 2000, intermediate consumption was calculated at a fixed 20% of output. From 2001 onwards, it has been reckoned to follow the purchasing trend based on VAT returns, provided that the ratio of intermediate consumption to production does not vary too much from 20%. The result for 2003 is intermediate consumption of 26.4 million euros (a ratio of 19.8%).

3.7.4.3. Sectoral breakdown S.11/S.14

Output and intermediate consumption are broken down into S.11 and S.14 using a distribution key. The key is obtained by applying the same proportion between S.11 and S.14 as that derived from the calculation of the administrative aggregates (cf. 3.3). It was calculated for the year 2000 at about 50.5% for sector S.11 and 49.5% for S.14. From 2001 onwards there has been no calculation of administrative aggregates for this industry and slightly adapted percentages have been used: 53.5% for S.11 and 46.5% for S.14.

The ratio of output to intermediate consumption is assumed to be the same for both sectors, so the same key is used to break down output and intermediate consumption. The results are as follows:

	Sector S.11	Sector S.14	Total, NACE 02
P.1	71.4	62.1	133.5
P.2	14.2	12.3	26.4
Value added	57.3	49.8	107.1

To eliminate the value added produced outside Belgium, the output value of sector S.11 is reduced by 2.9 million euros to a total of 130.6 million. The intermediate consumption of the same sector is reduced by 0.6 million euros. The intermediate consumption also includes the FISIM, which for this industry is estimated at 1.7 million euros (0.4 for S.11 and 1.3 for S.14). The resulting final intermediate consumption is 27.6 million euros.

After these adjustments, the final table is as follows:

	Sector S.11	Sector S.14	Total, NACE 05
P.1	68.5	62.1	130.6
P.2	14.0	13.6	27.6
Value added	54.5	48.5	103.0

3.8. FISHERIES (B)

3.8.1. Introduction

In 2003, the value added of fisheries (Section B) amounted to 68.0 million euros, less than 0.1% of the value added of all industries combined. It was produced by two institutional sectors: non-financial corporations (S.11: €64.7 million) and households (S.14: €3.3 million).

Gross value added of section B, by industry and institutional sector (2003)

SUT Code	Industry	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
05A1	Fishing, fish hatcheries and fish farms	05.0	Fishing, fish hatcheries and fish farms	64.7	3.3	68.0
		05.01	Sea fishing			
		05.02	Fish hatcheries and fish farms			
Total section B				64.7	3.3	68.0

3.8.2. Method of calculation

The aggregates of the production and operating accounts for SUT 05A1 are set out in the following table. The aggregates for non-financial corporations and for households are evaluated not by the general method (cf. 3.3) but by the specific methods described below.

Section B - Fisheries: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P.52 s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52 u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8			62	640	740	
Sector S.11														
Amount	137.8	0	0	0	137.8	73.1	0	0	73.1	64.7	33.1	1.3	2.0	32.3
Sector S.14														
Amount	7.3	0	0	0	7.3	4.0	0	0	4.0	3.3	0.7	0.1	0.1	2.6

3.8.2.1. Output

The output of sea fishing is equal to the value of the fish and shellfish unloaded by Belgian boats in Belgian and foreign ports. In its statistics on sea fishing, the DGSEI (the former NSI) provides these values and information on quantities, by type of fish and shellfish.

The output of mussel, oyster and fish farming is estimated from the statistics of VAT declarations on turnover.

Fresh-water fishing normally comes under NACE 05.01, but as it is evaluated (like NACE 05.02) on the basis of VAT statistics, it is incorporated into the calculations of this NACE section. Its importance in Belgium is in fact marginal.

The output of all the subheadings is increased by 3.9% (a fixed flat rate) to cover clandestine production. This percentage was arrived at by assuming a clandestine output of 5 million euros on top of an output of €127.8 million for the year 2000. This results in the following output values:

		Sources	(millions of euros)
Output =	Sea fisheries	DGSEI	93.9
	+ fresh-water fishing	VAT	2.3
	+ fish hatcheries, mussel farming, fish farms	VAT	49.7
	= TOTAL		145.9

3.8.2.2. Intermediate consumption

Intermediate consumption of sea fisheries is estimated using accounting data published by the Sea Fisheries Service of the Department of Agriculture and Fisheries of the Administration of the Flanders Region.

Every year, this Service collects accounting data supplied to it on a voluntary basis by a sample of boats which are representative of the Belgian fleet. From this survey, it calculates a mean value, by type of boat, for the various components of intermediate consumption. The results are published in "Uitkomsten Van de Belgische Zeevisserij", a Sea Fisheries Service publication. Since the composition of the Belgian fleet is known, the published mean values are extrapolated to the Belgian fleet, taking into account to type of boat and volume of activity.

Intermediate consumption of other fisheries is calculated from the statistics of VAT declarations on total purchases, from which the value of investments is deduced.

		Sources	(millions of euros)
Intermediate consumption =	Sea fisheries	Sea Fisheries Service	43.4
	+ fresh-water fishing	VAT	1.3
	+ fish hatcheries , mussel farming, fish farms	VAT	31.7
	= TOTAL		76.4

3.8.2.3. Sectoral breakdown S.11/S.14

Output and intermediate consumption are broken down between S.11 and S.14 by means of a distribution key obtained by measuring the share of value added in sector S.11 calculated using the aggregates method (cf. 3.3) in the total of value added of NACE 05 arrived at by the method described above. It was calculated for the year 2000 and amounts to about 95% for sector S.11 and 5% for S.14. It has since remained constant.

It is assumed that the rate of value added is the same for independent households and for enterprises, and therefore that the ratio of output to intermediate consumption is the same for both sectors, so the same key is used to apportion output and intermediate consumption. The results are as follows:

	Sector S.11	Sector S.14	Total, NACE 05
P.1	138.6	7.3	145.9
P.2	72.6	3.8	76.4
Value added	65.9	3.5	69.4

To eliminate the value added produced outside Belgium, the output value of sector S.11 is reduced by 0.8 million euros to a total of 145.1 million. The intermediate consumption of the same sector is reduced by 0.4 million euros. The intermediate consumption also includes the FISIM, which for this industry is estimated at 1.0 million euros (0.9 for S.11 and 0.1 for S.14). The resulting final intermediate consumption is 77.1 million euros.

After these adjustments, the final table is as follows:

	Sector S.11	Sector S.14	Total, NACE 05
P.1	137.8	7.3	145.1
P.2	73.1	4.0	77.1
Value added	64.7	3.3	68.0

3.9. MINING AND QUARRYING (C)

3.9.1. Introduction

In 2003, the value added of mining and quarrying (Section C) amounted to 316 million euros, 0.1% of the value added of all industries combined. It was produced by the two institutional sectors: non-financial corporations (S.11: €314 million) and households (S.14: €1 million).

Gross value added of section C, by industry and institutional sector (2003)

SUT Code	Industry	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
14A1	Other mining and quarrying industries	14.1	Stone quarrying	314.4	1.2	315.6
		14.2	Sand and clay quarrying			
		14.3	Extraction of minerals for chemical and natural fertilizer industry			
		14.4	Salt production			
		Total, section C		314.4	1.2	315.6

3.9.2. Method

The aggregates of the production and operating accounts for SUT 14A1 are set out in the following table. The aggregates for non-financial corporations and for households are evaluated using the general method (cf. 3.3).

Section C - Mining and quarrying: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/ V1	P.11/ P.52s	P.12	P.11/ V2	Total P.1	P.2/A 1	P.2/P .52u	P.2/A 2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74- 740		600/8 +61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	723	1	2	33	758	434	-5	5	434	324	143	25	0	156
Cat. A1	596	1	2	27	627	354	-4	5	355	272	118	21	0	133
Cat. B.1	42	0	0	2	44	24	0	0	24	20	11	1	0	8
Cat. B.2	70	0	0	3	73	46	-1	0	45	28	11	2	0	15
Cat. B.3	12	0	0	0	12	7	0	0	7	4	3	0	0	1
Cat. C1	2	0	0	0	2	2	0	0	2	0	0	0	0	0
Cat. C2	0	0	0	0	0	1	0	0	1	0	0	0	0	0
II. Adjustments	-34	0	0	-2	-37	-26	0	-1	-27	-10	1	-4	0	-6
(a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	-32	0	0	0	-32	-32	0	0	-32	0	0	0	0	0
(e)	0	0	0	-1	-1	0	0	-1	-1	0	0	0	0	0
(f)	0	0	0	-1	-1	-1	0	0	-1	1	0	0	0	1
(g)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(l)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(m)	0	0	0	-1	-1	0	0	0	0	-1	0	0	0	-1
(n)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(P.2)	0	0	0	0	0	-1	0	0	-1	1	1	0	0	0
(q)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(r)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-2	0	0	0	-2	-1	0	0	-1	-1	0	0	0	0
(aa)	0	0	0	0	0	4	0	0	4	-5	0	-4	0	0
FISIM	0	0	0	0	0	5	0	0	5	-5	0	0	0	-5
III. Closing amount (I+II)	689	1	2	30	721	408	-5	4	407	314	144	20	0	151
Sector S.14														
I. Opening amount	2	0	0	0	2	1	0	0	1	1	0	0	0	1
II. Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III. Closing amount (I+II)	2	0	0	0	2	1	0	0	1	1	0	0	0	1

3.10. MANUFACTURING (D)

3.10.1. Introduction

In 2003, the value added of manufacturing (Section D) amounted to 42 750 million euros, 17.4% of the value added of all industries combined. It was produced by three institutional sectors: non-financial corporations (S.11: €41 989 million), general government (S.13: €33 million) and households (S.14: €729 million).

Gross value added of section D, by industry and institutional sector (2003)

SUT Code	Industry	Value added (millions of euros)			
		S.11	S.13	S.14	Total
15A1_15L1	Food industry	5 233.9	0.0	406.1	5 640.0
16A1	Tobacco industry	215.9	0.0	1.1	217.0
17A1_17B.1	Textile industry	1 603.7	0.0	14.3	1 618.0
18A1	Clothing and fur industry	272.1	0.0	4.6	276.7
19A1	Leather and shoe industry	85.5	0.0	1.6	87.1
20A1	Woodworking and manufacture of articles made of wood and cork, wickerwork or esparto goods	733.8	0.0	24.4	758.2
21A1	Paper and paperboard industry	1 151.6	0.0	0.9	1 152.5
22A1_22B.1	Publishing, printing and reproduction	2 168.7	32.7	49.1	2 250.5
23A1	Coking, oil refining and nuclear industry	1 330.5	0.0	0.0	1 330.5
24A1_24G1	Chemical industry	8 391.3	0.0	0.9	8 392.2
25A1_25B.1	Rubber and plastics industry	1 635.8	0.0	3.2	1 639.0
26A1_26D.1	Manufacture of other non-metallic mineral products	2 299.6	0.0	19.7	2 319.3
27A1_27B.1	Metallurgy	2 768.9	0.0	2.7	2 771.6
28A1_28C1	Metal processing	3 242.5	0.0	82.8	3 325.3
29A1_29D.1	Manufacture of machines and equipment	2 609.1	0.0	14.3	2 623.4
30A1	Manufacture of office machines and computers	74.4	0.0	0.2	74.6
31A1_31B.1	Manufacture of electrical machines and equipment	1 642.7	0.0	3.8	1 646.5
32A1	Manufacture of radio, television and communication equipment	1 147.1	0.0	1.0	1 148.1
33A1	Manufacture of medical, precision and optical instruments and clocks and watches	393.4	0.0	21.6	415.0
34A1_34B.1	Construction and assembly of motor vehicles, trailers and semi-trailers	3 262.8	0.0	1.9	3 264.7
35A1_35B.1	Manufacture of other means of transport	539.2	0.0	1.4	540.6
36A1_36C1	Manufacture of furniture, jewellery, musical instruments, sports and games articles and various other industries	960.8	0.0	66.7	1 027.5
37A1	Recovery of recyclable materials	225.3	0.0	6.6	231.9
Total, section D		41 988.6	32.7	728.9	42 750.2

3.10.2. Method of calculation

The aggregates of the production and operating accounts for section D are set out in the following table. For non-financial corporations (S.11) and households (S.14), they are evaluated entirely by the general method (cf. 3.3). The aggregates of S.13 correspond to the amounts obtained for the Belgian Official Gazette (cf. 3.3).

Section D - Manufacturing: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8		62	640	740		
Sector S.11														
I. Opening amount	174 572	-313	2 089	6 528	182 876	137 542	23	428	137 993	44 884	27 727	1 268	137	16 026
Cat. A1	147 249	-175	2 064	6 047	155 185	117 408	26	359	117 793	37 391	22 962	1 104	117	13 442
Cat. A2	9 816	6	25	212	10 058	7 967	-23	25	7 969	2 090	1 249	45	7	803
Cat. B.1	4 176	-39	0	77	4 214	2 852	5	12	2 869	1 345	889	26	3	433
Cat. B.2	10 784	-100	0	190	10 874	7 435	13	31	7 478	3 396	2 194	70	9	1 141
Cat. B.3	2 276	-1	0	1	2 276	1 597	1	0	1 598	678	399	19	1	262
Cat. C1	87	-3	0	1	85	90	1	0	91	-6	3	0	0	-9
Cat. C2	103	0	0	0	103	128	0	1	129	-26	14	3	0	-43
Cat. H	81	0	0	0	81	65	0	0	65	17	18	1	0	-2
II. Adjustments	-12 868	3	-792	-469	-14 127	-11 171	7	-67	-11 231	-2 895	402	-536	138	-2 623
(a)	0	0	0	0	0	10	0	0	10	-10	0	-10	0	0
(b)	0	0	0	0	0	0	0	0	0	0	105	0	0	-105
(c)	-192	0	0	0	-192	-128	0	0	-128	-64	0	0	0	-64
(d)	-18 363	0	0	0	-18 363	-18 363	0	0	-18 363	0	0	0	0	0
(e)	0	0	0	-220	-220	0	0	-64	-64	-156	0	0	0	-156
(f)	0	0	0	-16	-16	-47	0	0	-47	31	0	0	0	31
(g)	0	0	-1 276	0	-1 276	543	0	0	543	-1 819	0	0	0	-1 819
(h)	0	0	0	0	0	-27	0	0	-27	27	0	0	0	27
(i)	0	0	418	0	418	-74	0	0	-74	492	0	0	0	492
(j)	0	0	0	0	0	13	0	0	13	-13	0	0	0	-13
(k)	0	0	0	0	0	110	0	0	110	-110	0	0	0	-110
(l)	0	0	0	0	0	-239	0	0	-239	239	0	0	0	239
(m)	0	0	0	-192	-192	0	0	0	0	-192	0	0	0	-192
(n)	0	0	0	0	0	0	0	0	0	0	0	0	17	17
(o1)	-1 095	0	0	0	-1 095	-773	0	0	-773	-322	0	-322	0	0
(o2)	-72	0	0	0	-72	-22	0	0	-22	-50	0	-50	0	0
(o3)	-6	0	0	0	-6	0	0	0	0	-6	0	0	6	0
(o4)	90	0	0	0	90	0	0	0	0	90	0	0	-23	67
(P.1)	33	0	0	0	33	0	0	0	0	33	33	0	0	0
(P.2)	0	0	0	0	0	-233	0	0	-233	233	233	0	0	0
(r)	0	0	0	0	0	120	0	0	120	-120	0	0	0	-120
(s)	-9	0	0	0	-9	-3	-6	0	-9	0	0	0	0	0
(v)	-927	3	-6	-41	-971	-681	-1	-3	-684	-286	-179	0	0	-107
(w)	0	0	0	0	0	0	13	0	13	-13	0	0	0	-13
(x1)	0	0	72	0	72	0	0	0	0	72	0	0	0	72
(y)	469	0	0	0	469	216	0	0	216	253	42	0	0	212
(aa)	-37	0	0	0	-37	193	0	0	193	-230	0	-155	37	-38

(ab)	167	0	0	0	167	63	0	0	63	104	169	1	81	16
(ac)	7 076	0	0	0	7 076	7 076	0	0	7 076	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	19	19
FISIM	0	0	0	0	0	1 075	0	0	1 075	-1 075	0	0	0	-1 075
III.Closing amount(I+II)	161 704	-310	1 297	6 059	168 750	126 371	29	362	126 762	41 988	28 129	732	275	13 402

Sector S.13

Amount	36	0	0	0	36	3	0	3	33	7	0	0	26
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Sector S.14

I.Opening amount	1 807	0	0	0	1 807	1 200	1	0	1 201	606	205	11	1	390
II.Adjustments	113	0	0	0	113	-10	0	0	-10	123	9	0	0	115
(b)	0	0	0	0	0	0	0	0	0	0	-1	0	0	1
(d)	-200	0	0	0	-200	-200	0	0	-200	0	0	0	0	0
(k)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(l)	0	0	0	0	0	-23	0	0	-23	23	0	0	0	23
(y)	313	0	0	0	313	173	0	0	173	140	9	0	0	130
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	0	39	0	0	39	-39	0	0	0	-39
III.Closing amount(I+II)	1 920	0	0	0	1 920	1 190	1	0	1 191	729	214	11	1	505

3.11. PRODUCTION AND DISTRIBUTION OF ELECTRICITY, GAS AND WATER (E)

3.11.1. Introduction

In 2003, the value added of the production and distribution of electricity, gas and water (Section E) amounted to 5 823 million euros, 2.4% of the value added of all industries combined. It was produced by one institutional sector: non-financial corporations (S.11).

Gross value added of section E, by industry and institutional sector (2003)

SUT code	Industry	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
40A1	Production and distribution of electricity, gas, steam and hot water	40.1 40.2 40.3	Production and distribution of electricity Production and distribution of gas Distribution of steam and hot water and production of ice	5 149.3	0.0	5 149.3
41A1	Collection, purification and distribution of water	41.0	Collection, purification and distribution of water	673.6	0.0	673.6
Total, section E				5 822.9	0.0	5 822.9

3.11.2. Method of calculation

The aggregates of the production and operating accounts for SUT 40A1 and SUT 41A1 are set out in the following table. The aggregates are evaluated entirely by the general method (cf. 3.3).

Section E – Production and distribution of electricity, gas and water: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/ V1	P.11/ P.52 s	P.12	P.11/ V2	Total P.1	P.2/A 1	P.2/P. 52u	P.2/A 2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74- 740	600/8 +61	609	641/8			62	640	740		
Sector S.11														
I. Opening amount	25075	121	171	504	25872	19761	32	103	19896	5976	1990	133	9	3862
Cat. A1	24039	121	171	504	24834	18817	32	102	18951	5883	1971	131	9	3791
Cat. A2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cat. B.1	18	0	0	0	18	12	0	0	12	6	3	0	0	3
Cat. B.2	17	0	0	0	17	10	0	0	11	6	2	0	0	4
Cat. B.3	1001	0	0	0	1001	919	0	0	919	82	14	1	0	67
Cat. C1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cat. C2	1	0	0	0	1	3	0	0	3	-1	0	0	0	-2
II. Adjust- ments	-	-2	19	-56	-	-	1	-65	-	-153	147	-23	5	-271
(a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	0	0	0	0	0	0	0	0	0	0	145	0	0	-145
(c)	-2	0	0	0	-2	-1	0	0	-1	-1	0	0	0	-1
(e)	0	0	0	-36	-36	0	0	-64	-64	28	0	0	0	28
(f)	0	0	0	-4	-4	0	0	0	0	-3	0	0	0	-3
(g)	0	0	-1	0	-1	55	0	0	55	-56	0	0	0	-56
(h)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(i)	0	0	22	0	22	-6	0	0	-6	27	0	0	0	27
(j)	0	0	0	0	0	2	0	0	2	-2	0	0	0	-2
(k)	0	0	0	0	0	10	0	0	10	-10	0	0	0	-10
(l)	0	0	0	0	0	-16	0	0	-16	16	0	0	0	16
(m)	0	0	0	-9	-9	0	0	0	0	-9	0	0	0	-9
(n)	0	0	0	0	0	0	0	0	0	0	0	0	3	3
(P.2)	0	0	0	0	0	-24	0	0	-24	24	24	0	0	0
(q)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(r)	0	0	0	0	0	2	0	0	2	-2	0	0	0	-2
(s)	0	0	0	0	0	-1	1	0	0	0	0	0	0	0
(v)	-117	-2	-2	-7	-127	-51	0	-1	-52	-75	-22	0	0	-52
(w)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(z)	-	0	0	0	-	-	0	0	-	0	0	0	0	0
	15871			15871	15871				15871					
(aa)	-2	0	0	0	-2	26	0	0	26	-28	0	-23	2	-3
FISM	0	0	0	0	0	63	0	0	63	-63	0	0	0	-63
III.	9083	119	190	448	9841	3947	33	37	4018	5823	2137	110	15	3591
Closing amount (I+II)														
Sector S.14														
I. Opening amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Adjust- ments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing amount (I+II)														

3.12. CONSTRUCTION (F)

3.12.1. Introduction

In 2003, the value added of construction activities (Section F) amounted to 11 938 million euros, 4.9% of the value added of all industries combined. It was produced by the two institutional sectors: non-financial corporations (S.11: €9 814 million) and households (S.14: €2 214 million).

Gross value added of section F, by industry and institutional sector (2003)

SUT Code	Industry	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
45A1	Site preparation	45.1	Site preparation	397.4	71.7	469.1
45B.1	Construction of buildings or civil engineering works, erection of roof coverings and frames	45.21	Construction work including engineering structures Erection of roof coverings and frames	3 529.4	383.6	3 913.0
		45.22				
45C1	Construction of railways, carriageways, runways and sporting facilities, water engineering and other construction work	45.23	Construction of railways, carriageways, runways and sporting facilities Water engineering Other construction work	1 585.4	216.7	1 802.1
		45.24				
		45.25				
45D. 1	Installation works	45.3	Installation works	2 364.4	604.9	2 969.3
45E1	Completion works renting of construction equipment with operator	45.4	Completion works Renting of construction equipment with operator	1 937.6	846.7	2 784.3
		45.5				
Total section F				9 814.2	2 123.6	11 937.8

3.12.2. Method of calculation

The aggregates of the production and operating accounts for section F are set out in the following table. The aggregates for both non-financial corporations and for households are evaluated entirely by the general method (cf. 3.3).

Section F - Construction: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V 1	P.11/ P.52s	P.12	P.11/ V2	Total P.1	P.2/A 1	P.2/P. 52u	P.2/A 2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74- 740	600/8 +61	609	641/8			62	640	740		
Sector S.11														
I. Opening amount	27187	-186	30	501	27531	19056	-25	150	19181	8350	6121	104	22	2147
Cat. A1	12369	-96	30	307	12610	8912	-16	92	8988	3622	2801	44	11	787
Cat. A2	162	-2	0	3	163	101	0	1	102	61	57	1	0	3
Cat. B.1	4106	-25	0	59	4140	2794	-3	18	2808	1332	938	17	3	379
Cat. B.2	9045	-62	0	129	9112	6142	-6	38	6174	2937	2037	35	7	871
Cat. B.3	1342	0	0	0	1342	921	0	0	921	421	281	5	1	135
Cat. C1	37	-1	0	3	39	44	0	0	45	-5	2	0	0	-7
Cat. C2	122	0	0	0	122	138	0	1	140	-18	3	1	0	-22
Cat. H	4	0	0	4	3	0	0	3	1	1	0	0	0	0
II. Adjustments	4469	186	23	-119	4559	3176	-4	-78	3095	1464	481	-21	-7	998
(a)	0	0	0	0	0	4	0	0	4	-4	0	-4	0	0
(b)	0	0	0	0	0	0	0	0	0	0	-15	0	0	15
(c)	-11	0	0	0	-11	-26	0	0	-26	14	0	0	0	14
(d)	-434	0	0	0	-434	-434	0	0	-434	0	0	0	0	0
(e)	0	0	0	-56	-56	0	0	-76	-76	21	0	0	0	21
(f)	0	0	0	-5	-5	-13	0	0	-13	8	0	0	0	8
(g)	0	0	-1	0	-1	0	0	0	0	-1	0	0	0	-1
(h)	0	0	0	0	0	-7	0	0	-7	7	0	0	0	7
(i)	0	0	24	0	24	-24	0	0	-24	48	0	0	0	48
(j)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	8	0	0	8	-8	0	0	0	-8
(l)	0	0	0	0	0	-84	0	0	-84	84	0	0	0	84
(m)	0	0	0	-55	-55	0	0	0	0	-55	0	0	0	-55
(n)	0	0	0	0	0	0	0	0	0	0	0	0	0	4
(P.2)	0	0	0	0	0	-22	0	0	-22	22	22	0	0	0
(q)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(r)	0	0	0	0	0	38	0	0	38	-38	0	0	0	-38
(s)	-48	0	0	-48	-43	-5	0	-48	0	0	0	0	0	0
(t)	-185	185	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-215	2	0	-4	-218	-151	0	-1	-152	-66	-49	0	0	-17
(w)	0	0	0	0	0	0	1	0	1	-1	0	0	0	-1
(y)	5364	0	0	0	5364	3693	0	0	3693	1672	522	0	0	1149
(aa)	-4	0	0	0	-4	31	0	0	31	-35	0	-17	4	-13
(ab)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ac)	1	0	0	0	1	1	0	0	1	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	-15	-15	-15
F/SIM	0	0	0	0	0	204	0	0	204	-204	0	0	0	-204
III. Closing amount (I+II)	31655	0	53	381	32090	22232	-29	73	22276	9814	6602	83	15	3145
Sector S.14														
I. Opening amount	3029	0	0	0	3029	1910	0	0	1910	1119	265	13	2	843
II. Adjustments	2561	0	0	0	2561	1556	0	0	1556	1004	14	0	1	992
(b)	0	0	0	0	0	0	0	0	0	1	0	0	0	-1
(d)	-77	0	0	0	-77	-77	0	0	-77	0	0	0	0	0
(k)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(l)	0	0	0	0	0	-44	0	0	-44	44	0	0	0	44
(y)	2638	0	0	0	2638	1563	0	0	1563	1074	13	0	0	1061
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	0	1
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F/SIM	0	0	0	0	0	113	0	0	113	-113	0	0	0	-113
III. Closing amount (I+II)	5590	0	0	0	5590	3466	0	0	3466	2124	279	13	3	1835

3.13. TRADE (G)

3.13.1. Introduction

In 2003, the value added of wholesale and retail trade and the repair of motor vehicles and household goods (Section G) was 31 535 million euros, 12.8% of the value added of all branches of activity combined. It was produced by 3 institutional sectors: non-financial corporations (S.11: €28 671 million), general government (S.13: - €1 million) and households (S.14: €2 864 million).

Gross value added of section G, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)			
				S 11	S.13	S 14	Total
50A1	Motor vehicle trade, maintenance and repair, motor vehicle parts trade, motorcycle trade and repair	50.1 50.2 50.3 50.4	Motor vehicle trade Motor vehicle maintenance and repair Motor vehicle parts trade Sale and repair of motorcycles	3 697.8	0	408.5	4 106.3
50B.1	Retail sale of fuel	50.5	Retail sale of fuel	173.5	0	32.9	206.4
51A1	Wholesale trade and commission trade	51.1 51.2 51.3 51.4 51.5 51.8 51.9	Wholesale on fee or contract basis Sale of agricultural raw materials and live animals Sale of foodstuffs Wholesale trade of household goods Wholesale trade of intermediate products, waste and scrap Wholesale of machinery and equipment Other wholesale	16 298.4	-0.7	537.3	16 835.0
52A1	Retail trade, repair of personal and household goods	52.1 52.2 52.3 52.4 52.5 52.6 52.7	Retailing in non-specialised stores Retailing of food in specialised stores Retailing of pharmaceutical, perfumery and beauty products Other retailing of new goods in specialised stores Retailing of second-hand goods and antiques in stores Retailing not in stores Repair of personal and household articles	8 501.3	0	1 885.8	10 387.1
Total, section G				28 671.0	-0.7	2 864.5	31 534.8

3.13.2. Method of calculation

The aggregates of the production and generation of income accounts for section G are set out in the following table. For non-financial corporations (S.11) and for households (S.14), the business register is the starting point for estimating these aggregates. It is exhaustive and up to date and is very important because trade involves a large number of self-employed persons hence many small enterprises. This branch of activity also has very high rates of births and deaths of enterprises. The list also includes the Belgian Intervention and Refund Office (BIRO), which is classified as a market producer in S.13 (cf. 3.3).

Administrative aggregates for the production units listed are estimated firstly on the basis of annual accounting/administrative data (primarily according to sector, size and branch of activity), annual accounts (full or abridged), VAT data and NSSO data (cf. 3.3) and secondly on the basis of Prodcom statistics mainly for secondary activities of wholesale trade. These data are used to estimate inter alia the turnover, output, intermediate consumption, changes in inventories, value added, compensation of employees and workforce of large, medium-sized and small enterprises.

Another potential source is the structure survey carried out periodically, using lists of enterprises taken from the business register. It covers all large enterprises and a representative sample of those in the smallest categories. Using data from the structure survey, we can, in particular, estimate the trade margins and intermediate consumption of secondary output.

**Section G - Wholesale and retail trade; repair of motor vehicles and household articles:
Calculation of gross value added and gross operating surplus according to ESA 1995 concepts
(millions of euros, 2003)**

ESA 1995	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8		62	640	740		
Sector S.11														
I. Opening amount	267482	-679	88	5610	272501	242894	-499	531	242926	29575	16814	2671	45	10135
I.1. Standard method	267482	-679	88	5610	272501	242894	-499	531	242926	29575	16814	2671	45	10135
Cat. A1	184698	17	86	4763	189564	170566	-419	378	170526	19038	10916	2322	27	5828
Cat. A2	4360	0	2	129	4491	3814	-34	7	3787	704	505	18	0	182
Cat. B.1	18342	-210	0	213	18345	15867	-12	47	15901	2443	1347	84	4	1016
Cat. B.2	42468	-481	0	498	42485	36752	-37	88	36803	5682	3064	159	11	2470
Cat. B.3	15374	0	0	5	15379	13519	0	0	13519	1860	908	71	3	883
Cat. C1	1247	-6	0	3	1245	1309	3	2	1313	-69	14	3	0	-86
Cat. C2	854	0	0	0	854	948	0	9	957	-103	30	14	0	-146
Cat. H	138	0	0	0	138	119	0	0	119	19	30	1	0	-11
II. Adjustments	-211228	10	38	-370	-	-210585	61	-122	-	-903	59	-2228	30	1295
				211550					210646					
(a)	0	0	0	0	0	16	0	0	16	-16	0	-16	0	0
(b)	0	0	0	0	0	0	0	0	0	0	-40	0	0	40
(c)	-153	0	0	0	-153	-216	0	0	-216	63	0	0	0	63
(d)	-212642	0	0	0	-	-212680	37	0	-	0	0	0	0	0
				212642					212642					
(e)	0	0	0	-148	-148	0	0	-114	-114	-34	0	0	0	-34
(f)	0	0	-23	-23	-56	0	0	-56	33	0	0	0	0	33
(g)	0	0	-67	0	-67	25	0	0	25	-92	0	0	0	-92
(h)	0	0	0	0	0	-60	0	0	-60	60	0	0	0	60
(i)	0	0	106	0	106	-136	0	0	-136	242	0	0	0	242
(j)	0	0	0	0	0	10	0	0	10	-10	0	0	0	-10
(k)	0	0	0	0	0	91	0	0	91	-91	0	0	0	-91
(l)	0	0	0	0	0	-309	0	0	-309	309	0	0	0	309
(m)	0	0	-118	-118	0	0	0	0	0	-118	0	0	0	-118
(n)	0	0	0	0	0	0	0	0	0	0	0	0	9	9
(o1)	-4750	0	0	0	-4750	-2709	0	0	-2709	-2040	0	-2040	0	0
(o2)	-78	0	0	0	-78	0	0	0	0	-78	0	-78	0	0
(o3)	-41	0	0	0	-41	0	0	0	0	-41	0	0	41	0
(o4)	285	0	0	0	285	0	0	0	0	285	0	0	-32	253
(P.2)	0	0	0	0	-154	0	0	-154	154	154	0	0	0	0
(r)	0	0	0	0	138	0	0	138	-138	1	0	0	-140	
(s)	-20	0	0	0	-20	-18	-2	0	-20	0	0	0	0	0
(v)	-811	10	-1	-81	-883	-444	5	-8	-448	-435	-238	0	0	-197
(w)	0	0	0	0	0	0	21	0	21	-21	0	0	0	-21
(y)	6674	0	0	0	6674	5065	0	0	5065	1609	182	0	0	1427
(aa)	-11	0	0	0	-11	143	0	0	143	-154	0	-94	11	-49
(ab)	1	0	0	0	1	0	0	0	0	1	1	0	0	0
(ac)	319	0	0	0	319	319	0	0	319	0	0	0	0	0
FISIM	0	0	0	0	0	388	0	0	388	-388	0	0	0	-388
III. Closing amount (I+II)	56254	-669	126	5240	60951	32309	-438	409	32280	28671	16873	444	75	11430
Sector S.13														
Amount	3	0	0	0	3	19	-15	0	4	-1	0	0	0	-1
Sector S.14														
I. Opening amount	13629	-1	0	0	13629	11608	0	0	11608	2021	528	65	4	1432
Cat. A2	42	-1	0	0	41	36	0	0	36	5	9	0	0	-4
Cat. B.3	13588	0	0	0	13588	11572	0	0	11572	2016	519	65	4	1436
II. Adjustments	-7270	0	0	0	-7270	-8114	0	0	-8114	843	23	-1	1	823
(b)	0	0	0	0	0	0	0	0	0	-3	0	0	0	3
(d)	-9863	0	0	0	-9863	-9863	0	0	-9863	0	0	0	0	0
(k)	0	0	0	0	0	8	0	0	8	-8	0	0	0	-8
(l)	0	0	0	0	0	-97	0	0	-97	97	0	0	0	97
(y)	2593	0	0	0	2593	1710	0	0	1710	883	26	0	0	857
(z)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(aa)	0	0	0	0	0	0	0	0	0	0	0	-1	1	2
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	0	128	0	0	128	-128	0	0	0	-128
III. Closing amount (I+II)	6359	-1	0	0	6359	3494	0	0	3494	2864	552	64	5	2254

3.13.2.1. Output

Trade (G)	P.1	Trade margins	Secondary output *
Total	67 313.1	50 094.4	17 217.7

* Manufacturing or services (repair, etc.)

ESA 95 (§3.60) defines the output of wholesale and retail services as "measured by the trade margins realised on the goods they purchase for resale"; the trade margin is "the difference between the actual or imputed price realised on a good purchased for resale and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of".

In the "Maintenance and repair of motor vehicles" (NACE 50.2), "Wholesale on a fee or contract basis" (NACE 51.1) and "Repair of personal and household articles" (NACE 52.7) there is in principle no sale of commercial goods, but an output of services connected with wholesale or retail trade. These branches of activity follow the general rule that output is equal to total turnover.

The output of the commercial activity which generates the margins is then estimated as follows:

$$\begin{aligned}
 \text{Output} &= \Sigma \text{ trade margins} \\
 &= \Sigma \text{ trade T} - \Sigma \text{ purchases of trade goods} + \Sigma \text{ changes in TG inventories} \\
 &= \Sigma \text{ trade T} - \Sigma \text{ purchases of TG} + \Sigma \text{ closing stocks of TG} - \Sigma \text{ opening stocks of TG}
 \end{aligned}$$

T= turnover

TG= trade goods

Trade enterprises may have secondary industrial output and/or service activities. These are determined on the basis of Prodcom data and structure survey data respectively.

Non-trade branches of activity may also realise trade margins by secondary commercial activity. It can be assumed that most trade margins in these branches are on wholesale activities. This assumption is supported by the structure survey, which gives a detailed overview, by large enterprise, of turnover broken down by three types of activity (industrial, commercial, non-industrial services and other activities), which makes it possible to obtain an idea of their commercial activity. A correspondence table is also compiled between trade and non-trade activities on the basis of products, e.g. linking textile industries with the wholesale trade in textiles and then applying the share of the trade margin of the trade branch to the turnover of the corresponding non-trade branch activity.

3.13.2.2. Intermediate consumption

Trade (G)	Intermediate consumption (P.2)
Total	35 778.3

ESA 1995 (§ 3.69) defines intermediate consumption as "the value of the goods and services used as production process inputs, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services may be either transformed or used up by the production process". The intermediate consumption of wholesale and retail trade is measured by the general method (cf. 3.3).

3.14. HOTELS AND RESTAURANTS (H)

3.14.1. Introduction

In 2003, the value added of hotel and restaurant activities (Section H) amounted to 4 093 million euros, 1.7% of the value added of all branches of activity combined. It was produced by two institutional sectors: non-financial corporations (S.11: €2 768 million) and households (S.14: €1 325 million).

Gross value added of section H, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)		
				S 11	S 14	Total
55A1	Hotels and other kinds of short-stay accommodation	55.1	Hotels	809.8	66.7	876.5
		55.2	Other kinds of short-stay accommodation			
55B.1	Restaurants, cafés, canteens and catering services	55.3	Restaurants	1 957.9	1 258.7	3 216.6
		55.4	Cafés			
		55.5	Canteens and catering services			
Total, section H				2 767.7	1 325.4	4 093.1

3.14.2. Method of calculation

The aggregates of the production and generation of income accounts for SUT 55A1 and SUT 55B.1 are set out in the following table. The aggregates for non-financial corporations and for households are estimated using the general method (cf. 3.3). It should be noted that output includes adjustments for the black economy and gratuities. In addition, the main sources used for hotels, restaurants, cafes etc. are the same as those described for trade (cf. 3.13).

Section H - Hotels and restaurants: Calculation of value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/ V1	P.11/ P.52s	P.12	P.11/ V2	Total P.1	P.2/A 1	P.2/P .52u	P.2/A 2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74- 740		600/8 +61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	6495	-11	1	182	6667	4318	-42	19	4295	2372	1640	119	1	614
Standard method	6495	-11	1	182	6667	4318	-42	19	4295	2372	1640	119	1	614
Cat. A1	1557	0	1	107	1665	897	-3	6	899	766	578	26	0	161
Cat. A2	41	0	0	4	45	25	0	0	25	20	21	1	0	-2
Cat. B.1	1267	-3	0	23	1287	874	-12	4	866	421	270	23	0	129
Cat. B.2	2640	-6	0	48	2682	1808	-26	9	1791	891	549	46	0	296
Cat. B.3	703	0	0	0	703	497	0	0	497	207	124	13	0	69
Cat. C1	30	-1	0	0	29	34	-1	0	33	-5	2	1	0	-8
Cat. C2	32	0	0	0	32	39	0	0	40	-8	2	2	0	-12
Cat. H	224	0	0	0	224	144	0	0	144	80	92	7	0	-20
II. Adjustments	580	11	1	-11	581	188	1	-4	185	396	316	-24	2	105
(a)	0	0	0	0	0	3	0	0	3	-3	0	-3	0	0
(b)	0	0	0	0	0	0	0	0	0	0	-17	0	0	17
(c)	-2	0	0	0	-2	-2	0	0	-2	0	0	0	0	0
(d)	-60	0	0	0	-60	-60	0	0	-60	0	0	0	0	0
(e)	0	0	0	-3	-3	0	0	-3	-3	0	0	0	0	0
(f)	0	0	0	0	0	-7	0	0	-7	6	0	0	0	6
(g)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(h)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(i)	0	0	1	0	1	-4	0	0	-4	5	0	0	0	5
(j)	0	0	0	0	0	3	0	0	3	-3	0	0	0	-3
(k)	0	0	0	0	0	4	0	0	4	-4	0	0	0	-4
(l)	0	0	0	0	0	-13	0	0	-13	13	0	0	0	13
(m)	0	0	0	-5	-5	0	0	0	0	-5	0	0	0	-5
(n)	0	0	0	0	0	0	0	0	0	0	0	0	1	1
(P.1)	22	0	0	0	22	0	0	0	0	22	22	0	0	0
(P.2)	0	0	0	0	0	-9	0	0	-9	9	9	0	0	0
(q)	281	0	0	0	281	0	0	0	0	281	281	0	0	0
(r)	0	0	0	0	0	8	0	0	8	-8	0	0	0	-8
(s)	-55	0	0	0	-55	-55	0	0	-55	0	0	0	0	0
(t)	-11	11	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-63	0	0	-2	-65	-42	0	0	-42	-23	-16	0	0	-7
(y)	467	0	0	0	467	293	0	0	293	175	37	0	0	138
(aa)	0	0	0	0	0	22	0	0	22	-23	0	-20	0	-2
(ab)	1	0	0	0	1	0	0	0	0	1	1	0	0	0
FISIM	0	0	0	0	0	46	0	0	46	-46	0	0	0	-46
III. Closing amount (I+II)	7075	0	2	171	7248	4506	-42	16	4480	2768	1956	96	3	719
Sector S.14														
I. Opening amount	2169	0	0	0	2169	1375	0	0	1375	794	197	40	0	557
II. Adjustments	1049	0	0	0	1049	517	0	0	517	532	53	-1	0	480
(b)	0	0	0	0	0	0	0	0	0	0	-2	0	0	2
(k)	0	0	0	0	0	2	0	0	2	-2	0	0	0	-2
(l)	0	0	0	0	0	-31	0	0	-31	31	0	0	0	31
(P.1)	6	0	0	0	6	0	0	0	0	6	6	0	0	0
(q)	101	0	0	0	101	0	0	0	0	101	39	0	0	61
(y)	942	0	0	0	942	481	0	0	481	461	10	0	0	451
(aa)	0	0	0	0	0	0	0	0	0	0	-1	0	0	1
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	0	65	0	0	65	-65	0	0	0	-65
III. Closing amount (I+II)	3218	0	0	0	3218	1892	0	0	1892	1325	250	39	0	1037

3.15. TRANSPORT, STORAGE AND COMMUNICATIONS (I)

3.15.1. Introduction

In 2003, the value added of transport, storage and communications (Section I) amounted to 20 009 million euros, 8.1% of the value added of all branches of activity combined. It was produced by three institutional sectors.

Gross value added of section I per branch of activity and per institutional sector (2003)

SUT code	Branch of activity	NACE code	NACE category	Value added (millions of euros)			
				S.11	S.13	S.14	Total
60A1	Transport by rail	60.1	Transport by rail	2 100.1		0.0	2 100.1
60B.1	Scheduled passenger land transport, taxis and other passenger land transport (market)	60.21	Scheduled passenger land transport (market)	427.7		55.2	482.9
		60.22	Operation of taxis				
		60.23	Other passenger land transport				
60B.3	Scheduled passenger land transport (non-market)	60.21	Scheduled passenger land transport (non-market)		992.9		992.9
60C1	Freight transport and removal services by road; transport via pipelines	60.24	Freight transport and removal services by road	3 063.5		162.9	3 226.4
		60.3	Transport via pipelines				
61A1	Sea and coastal transport	61.1	Sea and coastal transport	46.4		0.2	46.6
61B.1	Inland water transport	61.2	Inland water transport	52.5		10.9	63.4
62A1	Air transport	62	Air transport	391.6		0.2	391.8
63A1	Travel agents and tour operators	63.3	Travel agents and tour operators	403.7		14.9	418.6
63B.1	Freight handling and storage; other supporting transport activities; organisation of freight transport (market)	63.1	Freight handling and storage	2 843.1		17.8	2 860.9
		63.2	Other supporting transport activities (market)				
		63.4	Organisation of freight transport				
63B.3	Other supporting transport activities (non-market)	63.2	Other supporting transport activities (non-market)		2 811.3		2 811.3
64A1	Postal activities	64.1	Postal activities	1 931.4		37.6	1 969.0
64B.1	Telecommunications	64.2	Telecommunications	4 642.8		1.8	4 644.6
Total section I				15 902.8	3 804.2	301.5	20 008.5

3.15.2. Method of calculation

3.15.2.1. Non-financial corporations and households (S.11 and S.14)

The aggregates of the production and generation of income accounts of section I are set out in the following table. The aggregates for both S.11 and S.14 are calculated using the general method (cf. 3.3).

Section I – Transport, storage and communications: calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 95	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	45414	-146	724	1361	47354	30979	-35	292	31237	16117	10200	258	114	5773
Cat. A1	33203	-72	722	1212	35065	22049	-36	250	22264	12801	8030	171	61	4661
Cat. A2	883	0	2	53	939	495	0	13	508	430	320	12	6	106
Cat. B.1	2830	-20	0	32	2842	2040	1	9	2050	792	507	21	9	273
Cat. B.2	5755	-54	0	64	5765	4117	0	19	4137	1628	1027	44	29	586
Cat. B.3	2230	0	0	0	2230	1797	0	0	1798	432	287	10	8	144
Cat. C1	69	0	0	0	68	71	0	0	71	-3	1	0	0	-4
Cat. C2	50	0	0	0	50	58	0	1	58	-9	4	1	0	-13
Cat. H	396	0	0	0	396	351	0	0	351	45	24	1	1	21
II. Adjustments	-3317	146	190	-277	-3258	-2975	0	-68	-3044	-214	91	-80	38	-186
(a)	0	0	0	0	0	16	0	0	16	-16	0	-16	0	0
(b)	0	0	0	0	0	0	0	0	0	73	0	0	0	-73
(c)	-32	0	0	0	-32	-15	0	0	-15	-17	0	0	0	-17
(d)	-2905	0	0	0	-2905	-2905	0	0	-2905	0	0	0	0	0
(e)	0	0	0	-147	-147	0	0	0	-65	-65	-83	0	0	-83
(f)	0	0	0	-42	-42	-66	0	0	-66	24	0	0	0	24
(g)	0	0	-12	0	-12	12	0	0	12	-24	0	0	0	-24
(h)	0	0	0	0	0	-9	0	0	-9	9	0	0	0	9
(i)	0	0	203	0	203	-36	0	0	-36	239	0	0	0	239
(j)	0	0	0	0	0	5	0	0	5	-5	0	0	0	-5
(k)	0	0	0	0	0	153	0	0	153	-153	0	0	0	-153
(l)	0	0	0	0	0	-122	0	0	-122	122	0	0	0	122
(m)	0	0	0	-69	-69	0	0	0	0	-69	0	0	0	-69
(n)	0	0	0	0	0	0	0	0	0	0	0	0	0	11
(o1)	-27	0	0	0	-27	0	0	0	0	-27	0	-27	0	0
(P.2)	0	0	0	0	0	-82	0	0	-82	82	82	0	0	0
(q)	5	0	0	0	5	0	0	0	0	5	5	0	0	0
(r)	0	0	0	0	0	19	0	0	19	-19	0	0	0	-19
(s)	-4	0	0	0	-4	-3	0	0	-4	0	0	0	0	0
(t)	-145	145	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-550	1	-1	-19	-569	-414	1	-4	-418	-151	-92	0	0	-60
(y)	301	0	0	0	301	73	0	0	73	228	22	0	0	205
(aa)	-21	0	0	0	-21	57	0	0	57	-78	0	-38	21	-19
(ac)	62	0	0	0	62	62	0	0	62	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	6	6
FISIM	0	0	0	0	0	281	0	0	281	-281	0	0	0	-281
III. Closing amount (I+II)	42098	0	914	1084	44096	28004	-34	224	28193	15903	10291	178	153	5587
Sector S.13														
Amount	0	0	27	5294	5321	1519	0	-2	1517	3804	1818	0	0	1987
Sector S.14														
I. Opening amount	636	0	0	0	636	415	0	0	415	222	60	6	1	157
II. Adjustments	28	0	0	0	28	-52	0	0	-52	80	3	0	0	77
(b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	-54	0	0	0	-54	-54	0	0	-54	0	0	0	0	0
(k)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	0	0	0	0	0	-20	0	0	-20	20	0	0	0	20
(q)	1	0	0	0	1	0	0	0	0	1	0	0	0	1
(y)	81	0	0	0	81	8	0	0	8	73	3	0	0	70
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	0	13	0	0	13	-13	0	0	0	-13
III. Closing amount (I+II)	665	0	0	0	665	363	0	0	363	302	63	6	2	235

3.15.2.2. General government (S.13)

The following tables explain the estimate of intermediate consumption and the wages and salaries of industries that form part of S.13.

Detailed information on the sources and methods of calculation is available in point 3.18.

Compensation of employees (D.1)

<i>Data for 2003 (millions of euros)</i>	
Public transport (SUT 60B.3) of Communities and Regions(S.1312)	
Differences in delimitation of "Communities" and "Regions"	858.3
<i>Subtotal</i>	858.3
Management of transport infrastructures (SUT 63B.3) of Communities and Regions (S.1312)	
Code 11 (Transport)	236.1
Differences in delimitation of "Communities" and "Regions"	+ 34.1
Staff pensions of Communities and Regions	+ 57.0
<i>Subtotal</i>	327.2
Management of transport infrastructures (SUT 63B.3) of local authorities (S.1313)	
Code 11 (Transport) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	632.1
<i>Subtotal</i>	632.1

Intermediate consumption (P.2)

<i>Data for 2003 (millions of euros)</i>	
Public transport (SUT 60B.3) of Communities and Regions(S.1312)	
Differences in delimitation of "Communities" and "Regions"	559.5
<i>Subtotal</i>	559.5
Management of transport infrastructures (SUT 63B.3) of Communities and Regions (S.1312)	
Code 12 (Transport)	138.4
Code 14	+ 463.3
Differences in delimitation of "Communities" and "Regions"	+ 20.1
<i>Subtotal</i>	621.8
Management of transport infrastructures (SUT 63B.3) of local authorities (S.1313)	
Code 12 (Transport) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	108.8
Code 14 Provinces, Communes, PSWCs, police zones and Brussels agglomeration	+ 226.6
<i>Subtotal</i>	335.4

3.15.3. Treatment of tour operators and travel agencies

Tour operators

ESA 1995 states in § 3.62 that "*The output of tour operator services is measured by the total expenditure made by travellers to the tour operator*". Because the total expenditure is recorded in the sources of tour operators, the aggregates can be calculated according to the general method of calculation.

Travel agencies

ESA 1995 states in § 3.62 that "*The output of travel agencies is measured as the value of service charges of agencies (fees or commission charges) and not by the total expenditures made by travellers to the travel agency. This latter may e.g. also include charges for transport by third parties*".

Here too the total expenditure is recorded in the sources of the travel agencies. The result is that to calculate the aggregates according to the general method, action must be taken to make a transition from this total amount to their remuneration (namely in the form of commission charges).

Because travel agencies are regarded as enterprises that trade in tourism services this transition is carried out as part of adjustment (d) in the transition table. The relevant amounts, that of course are extensive for this industry, are calculated on the basis of the purchases of travel agencies.

3.15.4. Transport margins

Transport margins are mainly produced by NACE I. For this reason their calculation is explained in this section. Here attention is only paid to the transport margins by road. The transport margins via inland water transport are after all too limited and the transport margins via rail are regarded as not existing because the users of this service record the associated costs as intermediate consumption of transport services.

Transport margins for freight transport by road

To estimate the transport margins by road the available DGSEI statistics are used, more particularly the data for "transport by road by Belgian vehicles". This source gives an annual overview of transport by road according to different classifications (and combinations of these): the nature of the vehicle, the nature of transport, the distance class, countries and regions of origin or destination, the nature of the goods.

This latter classification is used to estimate the transport margins by road (bottom-up method). For each product according to the 3-digit Nomenclature of Transport Statistics (NTS), information is available on the number of tonnes and tonne-kilometres that the transport businesses achieve for their own account and for the account of third parties, both for domestic and international transport. In order to get a value per product the number of tonne-kilometres for account of third parties is linked to the average price per tonne-km recorded by rail. Here it is assumed that the two transport methods to some extent compete.

Note

International transport cannot easily be linked. Firstly this is apportioned over the different types of traffic (imports, exports, transit; EU or non-EU) based on available data in the same source. Secondly an adjustment factor is taken into account as a result of which only the section on Belgian territory is included in the transport margins and not the section on foreign territory.

In the DGSEI data the services of foreign businesses are compared on a flat rate basis with the services of Belgian businesses on Belgian territory for imports and exports. This reasoning is therefore applied to estimate the imported transport margins.

The last step concerns a conversion of the Nomenclature of Transport Statistics (NTS) to the CPA nomenclature. As a result the total transport margins can be apportioned by product in the SUT.

3.16. FINANCIAL ACTIVITIES (J)

3.16.1. Introduction

In 2003, the value added of financial activities (Section J) amounted to 14 308.8 million euros, 5.8% of the value added of all branches of activity combined. It was produced by two institutional sectors: financial corporations (S.12: €13 930.7 million) and households (S.14: €378.1 million).

Gross value added for section J per branch of activity and per institutional sector (2003)

SUT code	Branch of activity	NACE code	NACE category	Value added (millions of euros)		
				S.12	S.14	Total
65A2	Financial institutions	65.11	Central banks	8 728.1	0.0	8 728.1
		65.12	Other monetary financial institutions			
		65.2	Other financial intermediaries			
66A2	Insurance	66	Insurance	3 303.1	0.0	3 303.1
67A1	Financial and insurance auxiliaries	67.1	Financial auxiliaries	1 899.5	378.1	2 277.6
		67.2	Insurance auxiliaries			
Total section J				13 930.7	378.1	14 308.8

3.16.2. Method of calculation

The aggregates of the production and operating accounts for section J are set out in the following table. Both for financial corporations (S.12) and for households (S.14), the aggregates are evaluated by the specific methods described below.

Section J - Financial institutions: Calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P.52	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
<hr/>														
Sector S.12														
Amount	26 911.8	0	380.4	0	27 292.2	13 361.5	0	0	13 361.5	13 8283.8	337.4	57.1	5 366.6	930.7
<hr/>														
Sector S.14														
Amount	836.1	0	0	0	836.1	458.0	0	0	458.0	378.1	28.5	0	0	349.6

3.16.3. Financial intermediation (SUT 65A2)

The specific methods for calculation of P.11 are described according to the various categories of NACE 65. In Belgium's national accounts, the values added of NACE-BEL 65.11, 65.12 and 65.2 are equivalent respectively to those of subsectors S.121, S.122 and S.123. The new method for calculating the FISIM and its allocation appears in chapter 9.

The output for own final use (P.12) of NACE 65 consists entirely of software production for own account. The value of this output (P.12) is calculated by the investment manager for the whole of NACE 65 and is broken down between subsectors S.121, S.122 and S.123 (cf. 5.11) pro rata to output.

3.16.3.1. Central banks (NACE 65.11)

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NACE-BEL 65.11 comprises only the National Bank of Belgium (NBB). The values of market output and intermediate consumption are calculated on the basis of data from NBB's annual report and detailed information provided by its Management Control Department.

3.16.3.1.1. Output

According to Council Regulation No 448/98 introducing the principle for allocation of FISIMs, central banks are excluded from the calculation of FISIMs and their output has to be measured as the aggregate of the costs. NBB's output P.1 is therefore calculated as $P.2 + D.1 + K.1 + D.29 - D.39$. The resulting operating surplus is nil.

Output P.11 comprises partly an output of market services (services of the Central Balance Sheets Office, currency centers, etc.) and partly an output of services not directly invoiced (NBB is the banks' bank). These services are regarded as entirely consumed by credit institutions (S.122) and are therefore fully incorporated in the intermediate consumption of credit institutions. They are calculated as the difference between ($P.2 + D.1 + K.1 + D.29 - D.39$) and the amount of the output of market services and software produced for the own account.

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	Sources	(millions of euros)
Output = commissions received	Annual report	4.7
+ recoveries from third parties	Annual report	59.8
+ software produced for own account	Calculation	5.0
+ output of services not invoiced	Calculation	202.1
		271.6

CONFIDENTIAL

Output of services not directly invoiced	Sources	(millions of euros)
Total intermediate consumption P.2	Table below	50.6
+ compensation of employees (D.1)	Detailed information	183.8
+ consumption of fixed capital (K.1)	Investment manager	29.8
+ other taxes on production (D.29)	Detailed information	7.4
- other subsidies on production (D.39)	Detailed information	0.0
- P.11 market services	Annual report	64.5
- P.12 software	Investment manager	5.0
		202.1

3.16.3.1.2. Intermediate consumption

Data from annual report relating to other general costs need to be adjusted to bring them into line with ESA95 rules.

1. According to ESA 1995 the payment of television and radio licence fees is part of intermediate consumption.
2. As intermediate consumption has to be recorded at purchase price, non-deductible VAT has to be included. As only a global amount is known for non-deductible VAT (covering both investments and intermediate consumption), the part relating to the latter is determined on a proportional basis.
3. The remuneration of Government Commissioners and members of the Board of Censors, Council of Regency and Board of Directors, which are recorded in the annual report as remuneration and social charges, are included under intermediate consumption.
4. That part of insurance premiums which does not relate to the provision of insurance services is estimated using information provided by the official responsible for insurance enterprises and pension funds.

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	Sources	(millions of euros)
General expenses: other expenses	annual report	49.7
+ additional expenses in other accounts (non-deductible VAT and compensation of government commissioner, censors, governor and management board, etc.)	detailed info + calculation	3.2
- fines and penalties and gifts	detailed info	- 2.1
- adjustment of insurance	calculation	-0.2
		50.6

3.16.3.2. Other monetary financial institutions (NACE-BEL 65.12)

Article 1 of the Law on the Status and supervision of monetary financial institutions defines credit institution as any Belgian or foreign corporation whose activities consist in taking deposits and other repayable financial means of payment and granting loans for own account. Such enterprises are supervised by the Banking, Finance and Insurance Commission (BFIC) and are required to submit regular financial statements to the National Bank of Belgium. This exhaustive information is used as a basis for calculating ESA 1995 variables. A number of adjustments have to be made in order to bring the content of the variables into line with the definitions of ESA 1995; this is done on the basis of additional information collected via the structural survey from monetary financial institutions.

3.16.3.2.1. Output

	Sources	(millions of euros)
Output =		
+ Income similar to interest income	SSE	258.3
+ commissions received for financial services provided	Scheme A	3 520.8
+ income from activities other than the provision of financial services	SSE	132.4
+ margins made on the sale of precious metals and currencies to customers	SSE	509.9
+ staff contribution to charges of a social nature	SSE	14.6
+ costs recouped from customers	SSE	80.1
+ costs recouped from associated enterprises	SSE	50.9
+ other	SSE	268.9
+ production of software for own use	calculations	209.3
+ FISIM	calculations	6 974.1
		12 019.3

1. The amounts are the results of all credit institutions that were active during the year under review (even if this was only for part the year). The profit and loss accounts of Scheme A are compiled on an enterprise basis. i.e. they include the results of the foreign offices of Belgian monetary financial institutions. In order to determine the results relating to activities performed abroad, we use the ratio of personnel costs incurred abroad to total personnel costs. The information relating to personnel costs paid abroad comes from the structure survey.

2. The margins made upon the sale of precious metals and currencies to customers should ideally not include any exchange rate results. The method of calculation described below gives a good approximation of the value of the margins.

	Sources	(millions of euros)
Positive balances resulting from the sale of precious metals to customers	SSE	134.1
- negative balances resulting from the sale of precious metals to customers	SSE	- 133.7
+ positive balances resulting from the sale of foreign currencies to customers	SSE	573.9
- negative balances resulting from the sale of foreign currencies to customers	SSE	- 64.4
		509.9

3. The value of software produced for own use is calculated by the investment manager.
4. The production of FISIM is calculated according to the new methodology described in the Annex.

3.16.3.2.2. Intermediate consumption

The profit and loss accounts of credit institutions in Scheme A contain several headings which, subject to a number of adjustments, make up intermediate consumption in accordance with ESA 95. The adjustments are calculated on the basis of the results of the structural survey for monetary financial institutions.

		Sources	(millions of euros)
Intermediate consumption =	Commissions paid for financial services	Scheme A	1 590.9
+ other operating costs	Scheme A	3 382.6	
- rents on land	SSE	- 1.1	
- part of non-life insurance premiums not relating to services provided expenditure on computer software	calculations	- 34.2	
- (recorded in current acquisitions)	SSE	- 39.4	
- gifts	SSE	- 1.2	
- contributions to deposits protection scheme	DFIPF	- 38.0	
- losses on disposal entered in 'other operating costs' account	SSE	- 6.8	
- realised losses recorded in 'other operating costs'	SSE	- 0.2	
- loss through fraud or theft	SSE	- 20.3	
- corporate taxes	Scheme A	- 349.8	
+ remuneration of managers	SSE	73.4	
+ bonuses	Scheme A	2.3	
+ costs similar to interest charges	calculations	68.4	
+ non-deductible VAT intermediation services of the National	SSE	192.2	
+ Bank	NACE		
+ FISIM into intermediate consumption	65.11	202.1	
	FISIM	0.0	
Total			5 020.9

1. As with the credit institutions' revenue accounts, the cost accounts compiled on an enterprise basis also have to be converted into territorial results, using the ratio of personnel costs incurred abroad to total personnel costs. This ratio is not however applied to all costs; there are a few costs that only relate to Belgium, in particular contributions under the deposits protection scheme, contributions to the Banking, Finance and Insurance Commission (BFIC) and non-deductible VAT.
2. Rent on land: this item must be recorded on the expenditure side of the accounts as property income. The amount is estimated from the results of the structural survey.
3. Part of the non-life insurance premiums not relating to remuneration for a service. Only the part of non-life insurance premiums relating to remuneration for insurance service may be recorded in intermediate consumption. The manager for the insurance enterprises and pension funds subsector calculates the percentage of the insurance premium not relating to the supply of the service.
4. Gifts: ESA 95 states that these items are not to be recorded as intermediate consumption. Gifts are estimated on the basis of the results of the structural survey for monetary financial institutions.
5. Contributions of monetary financial institutions under the deposits protection scheme. This expenditure does not form part of intermediate consumption. The amount comes from the annual report of the Deposits and Financial Instruments Protection Fund (DFIPF).

6. Non-deductible VAT: intermediate consumption is calculated at purchase price, which, for the case of credit institutions, includes non-deductible VAT. The amount is estimated using the results of the structural survey. The results of the survey include all non-deductible VAT on acquisitions of goods and services and capital goods. Only the part of non-deductible VAT relating to intermediate consumption is included in intermediate consumption. The share of non-deductible VAT relating to investments is allocated to the amounts of investments.
7. An amount of FISIM may be recorded in intermediate consumption of credit institutions. In this case this is an import of FISIM.

3.16.3.3. Other financial institutions (NACE 65.2)

Given the wide range of financial activities in this NACE group, and as the available information can vary considerably, depending on the activity, the calculations of output and intermediate consumption are done at NACE 5-digit level, insofar as sufficiently detailed information is available from the annual accounts.. For stockbroking houses (NACE-BEL 65.233) and mutuals funds (NACE-BEL 65.235) exhaustive information relating to their annual accounts is available via their supervisory body, the BFIC. Most enterprises which perform an activity categorised to NACE-BEL subclasses 65.210, 65.221, 65.222, 65.223, 65.231, 65.234 and 65.236, submit annual accounts to the NBB's Central Balance Sheet Office. A number of enterprises in these NACE-BEL subclasses which do not submit annual accounts to the Central Balance Sheet Office, publish an annual report. Lastly, there are enterprises about which only the information of the National Social Security Office relating to the compensation of the employees is available.

Aggregate output of FISIM by other financial institutions is calculated for the whole of subsector S.123 by the FISIM manager, and so too is the intermediate consumption of FISIM. Sector S.123 covers the whole of NACE 65.2 and includes some categories of enterprises which do not produce FISIM, viz. financial holding companies (NACE-BEL 65.231), stockbroking houses (NACE-BEL 65.233) and mutual funds (NACE-BEL 65.235).

As previously indicated, the amount of software production for own account (P.12) is calculated by the investment manager for the whole of sector S.123.

	(millions of euros)
FISIM produced by S.123	594.7
Output P.12	57.5
FISIM intemediate consumption by S.123	89.9

3.16.3.3.1. Stockbroking houses (NACE-BEL 65.233)

Enterprises which are active as stockbroking houses must hold a licence issued by the BFIC. They are required to provide the BFIC with detailed balance sheets and profit-and-loss accounts on a regular basis. The values of output and intermediate consumption are calculated on the basis of information from the BFIC.

3.16.3.3.1.1. Output

The value of output is calculated as follows:

(millions of euros)			
Output =	Brokerage fees	BFIC	64.6
+ Commissions		BFIC	19.7
+ Custodial fees		BFIC	5.7
+ Other revenues		BFIC	34.9
+ Commissions on foreign currencies and precious metals		BFIC	1.3
+ Net results on positions in foreign currencies and precious metals		BFIC	1.7
+ Other operating revenues		BFIC	21.0
- Operating subsidy		Central Balance Sheets Office	- 0
			148.9

1. The heading "Net results of positions in foreign currency and precious metals" includes (in addition to trade margins on sales of foreign currency and precious metals) valuation differences which, essentially, should not be included in the calculation of output. Unfortunately, we do not possess the information which we would need in order to make an adjustment.
2. Operating subsidies may not be included in the value of output. Their value can be determined on the basis of the accounts which stockbroking houses submit to the NBB's Central Balance Sheet Office.

3.16.3.3.1.2. Intermediate consumption

The value of intermediate consumption is calculated as follows, using data from the BFIC :

				(millions of euros)
Intermediate consumption =	Services and various goods	BFIC	228.2	
	- contributions to the Deposits and Financial Instruments Protection Fund	DFIPF	-1.5	
	- part of non-life insurance premiums not relating to a service provided	SSE	-1.1	
	- gifts	SSE	-0.1	
	- software	SSE	-1.9	
				223.6

1. The contributions to the Deposits and Financial Instruments Protection Fund are not regarded as intermediate consumption. The value of the contribution can be found in the annual report of the Deposits and Financial Instruments Protection Fund.
2. The non-life insurance premiums paid are determined using the results of the structure survey. The percentage of these premiums not relating to services is calculated by the sector manager for insurance enterprises and pension funds.
3. The value of gifts is determined on the basis of the results of the structure survey.
4. The amount spent on software is estimated on the basis of the results of the structure survey.

3.16.3.3.2. Undertakings for collective investment (UCIs : NACE-BEL 65.235)

In Belgium, the UCIs are supervised by BFIC. They comprise all investment institutions irrespective of whether the number of shares is variable or fixed and of whether their form are contractual (investment fund managed by management company) or statutory (variable-capital investment company (SICAV) or fixed-capital investment company (SICAF)).

Into NACE 65.235, we have to make a distinction between UCIs operating in receivables and companies investing in real-estate assets (SICAFI) of other UCIs. For both categories the method of calculation is based on annual accounts submit to the CBSO.

3.16.3.3.2.1. Monetary and other UCIs

In sector accounts we have to distinguish between monetary UCIs and other UCIs. Monetary UCIs belong to the subsector of other monetary financial institutions (S.122), whereas other UCIs are classified among other financial intermediaries (S.123). The data used for calculating the output and intermediate consumption of monetary and other UCIs come from the BFIC and are available by UCI category, making it possible to directly separate monetary from other UCIs.

Output

(millions of euros)	Sources	Monetary UCIs	Other UCIs	Total
Commissions received by investment institutions	BFIC	0	70.9	70.9
+ Operating costs not covered in the form of commissions	BFIC	7.9	741.6	749.5
		7.9	812.5	820.4

1. Output is calculated as the total of entrance fees, exit repayments and other products. It only takes into account commissions received by the investment fund and excludes commissions charged by distributors that market shares on behalf of UCIs.
2. An amount of output corresponding to operating expenses not covered by commissions received is imputed. UCIs are treated as pure financial intermediaries that therefore have no net lending. Property income received by UCIs is assumed to be paid in full to the holders of UCI securities. Operating costs not covered by commissions (imputed output) are therefore not charged directly to customers but are deducted from UCIs revenues.,

Intermediate consumption

(millions of euros)	Sources	Monetary CII	Other CII	Total
Transaction expenses	BFIC	0.0	111.6	111.6
+ financial charges	BFIC	0.0	1.7	1.7
+ commissions paid to managers	BFIC	5.7	561.2	566.9
+ administrative expenses	BFIC	0.6	45.6	46.2
+ other expenses	BFIC	0.4	33.8	34.2
- annual tax on UCIs	S.13	- 2.4	-101.5	-103.9
<i>Intermediate consumption</i>		4.3	652.4	656.7

1. Intermediate consumption is calculated as the total of transaction expenses, financial charges, commissions paid to UCIs managers, administrative expenses and other costs.
2. The amount of the annual tax on UCIs is notified by the relevant general government official (sector S.13) and is deducted from the amount of intermediate consumption. The apportionment of the tax between monetary and other UCIs is pro rata to their respective current holdings.

3.16.3.3.2.2. SICAFIs and UCIs operating in receivables

No data are available from the BFIC on SICAFIs and UCIs operating on receivables. The output and intermediate consumption of such institutions are calculated on basis of the accounts of CBSO.

Output

	Sources	(millions of euros)
Turnover	CBSO	374.9
+ other income	CBSO	20.7
TOTAL		395.6

Intermediate consumption

	Sources	(millions of euros)
Various goods and services	CBSO	113.6
+ other costs	CBSO	25.6
- taxes and levies	CBSO	22.7
TOTAL		116.5

3.16.3.3.3. Corporations of NACE-BEL-subclasses 65.210, 65.221, 65.222, 65.223, 65.231 and 65.236 for which accounts are available from the Central Balance Sheet Office

The accounts available to the CBSO are used to calculate output and intermediate consumption of corporations whose activities fall within to the following NACE-BEL subclasses:

- NACE-BEL 65.210: financial leasing
- NACE-BEL 65.221: provision of consumer credit
- NACE-BEL 65.222: other credit
- NACE-BEL 65.223: factoring enterprises
- NACE-BEL 65.231: financial holding companies
- NACE-BEL 65.236: other financial intermediaries

In order to calculate the values of output and intermediate consumption, we first have to identify the enterprises which perform activities in one of the above subclasses. The data of the Central Balance Sheet Office are aggregated per activity. As the items in the accounts used by the Central Balance Sheet Office do not completely match ESA 95 definitions, a number of adjustments have to be made.

The activities covered by NACE-BEL subclasses 65.210, 65.221 and 65.222 are subject to controls by supervisory bodies. Royal Decree No. 55 of 10 November 1967 makes the granting of financial leasing credit for professional purposes subject to approval by Ministry of Economic Affairs. The list available to the Ministry is used to identify enterprises whose principal activity is financial leasing. Pursuant to the Act of 12 June 1991, all enterprises which grant consumer credit (hire purchase, instalment loans (incl. personal loans), leasing and credit lines, especially those which involve the use of a credit card or other type of identity card), must be approved by the SPF Economie. The lists published in the Belgian Official Gazette are used to identify the enterprises which have to be included in NACE-BEL subclass 65.221. The BFIC compiles a list of all enterprises which are authorised to grant mortgage loans. All enterprises which remain after elimination of credit institutions and insurance enterprises are included in NACE-BEL subclass 65.222. This subclass also includes enterprises which grant other types of loan, which are identified by the activity codes assigned to them by the Central Balance Sheet Office.

Units performing other activities are identified by means of the DBRIS business register of the General Directorate of Statistics and Economic Information.

3.16.3.3.3.1. Output (P.11)

The starting point for calculating output (excluding FISIM) is the item "operating revenues" in the accounts available to the Central Balance Sheet Office. Unlike the full accounts, the abridged accounts do not state operating revenues separately. Some enterprises state their turnover, in which case the ratio of operating income to turnover (calculated on the basis of the full accounts) is used to estimate operating income. If information on turnover is not available, the ratio of operating income to gross margin in the full accounts is used to estimate the value of the operating income of the enterprises in question.

The item "operating revenues" does not completely satisfy ESA 95 definitions, and a number of adjustments have to be made. The following table sets out these adjustments per NACE-BEL subclass. Adjustments made on the basis of the structure survey are calculated for all enterprises active in the group in question (NACE-BEL 65.2, except 65.233), not separately for each subclass: the adjustments are not linked to specific activities. This gives better representativeness.

(millions of euros)		65.210	65.221	65.222	65.223	65.231	65.236	Total
Operating income	BC	2 307.8	361.8	248.4	69.6	209.7	26.8	3 224.1
- Goods for resale	BC	- 1 692.7	- 0.4	- 67.0	- 0.1	- 0.0	- 10.2	- 1 770.4
- Operating subsidies	BC	- 0.0	- 0.0	- 0.5	- 0.0	- 0.0	- 0.0	- 0.5
- Income from renting land	SSE	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0
- Compensation received	SSE	-0.9	- 0.4	-0.3	- 0.1	- 0.3	- 0.1	- 2.1
- Interest entered in turnover calculation		- 16.6	- 100.8	- 63.6	- 13.8	- 0.0	- 0.0	- 194.8
Output (excl. FISIM)		597.6	260.2	117.0	55.6	209.4	16.5	1 256.3

1. Income from the leasing of premises: the results of the structure survey of other financial intermediaries show that this form of income is negligible.
2. Non-life insurance claims: non-life insurance claims received are estimated on the basis of the results of the structure survey of other financial intermediaries
3. Operating subsidies: these are included under other subsidies on output and must not be included in the value of output. The value of operating subsidies is stated in an annex to the full accounts. The missing information for the abridged accounts is estimated on the basis of the data for the full accounts.
4. Trade goods: the value of output may only include those margins realised on the sale of goods which were purchased with a view to resale. The margins are calculated by deducting the price of purchased goods from sales of such goods, as recorded under turnover. This value is approximated by the amount recorded in the trade goods, commodities and consumables account available to the Central Balance Sheet Office. We assume here that the value of raw materials and consumables recorded in this account by other financial intermediaries is negligible.

The item "Trade goods, commodities and consumables" is only available in the complete accounts. This information is not stated in the abridged accounts. The value of this item is estimated by deducting the stated gross margin from the value of the estimated operating revenue. The difference comprises, in addition to "trade goods, commodities and consumables" the value of services and various goods. Data from the full accounts are used to calculate the share of "trade goods, commodities and consumables" in the combined total of "trade goods, commodities and consumables" plus "services and various goods". The resultant percentage is applied to the difference referred to above.

As regards the activities of financial intermediaries, the amounts for trade goods are the biggest in the case of financial leasing and other financial intermediaries. Leasing enterprises are required to record the value of goods which are to be leased as purchases of trade goods (account 604) on the day of purchase. When the lease contract is signed, the value of the good is recorded under turnover (account 70) and the lessor acquires an equivalent claim on the client. As of that moment, the leasing enterprise has not yet generated any output, as the client does not make any interest payments until later.

In order to ensure that the value of the leasing enterprise's output is recorded correctly, the value of the leased goods (recorded under acquisitions of trade goods) therefore has to be deducted from turnover.

5. Interest recorded as turnover: financial leasing companies, providers of consumer and other credit and factoring companies can record interest income as turnover or as "financial revenue from current assets". In order to determine the amount of interest which has to be recorded as turnover, we calculate the interest and dividends which should, "theoretically", be received on current assets (credits and monetary investments), and compare that amount with the amount eventually entered under "financial income on current assets". Theoretical property income from current

assets is calculated by applying the interest rates and yields to the outstanding amounts. For the purpose of these calculations, we distinguish three groups of current assets which generate property income: loans, interest-bearing monetary investments and monetary investments which generate dividends.

Here follows an overview of the method applied to each of these activities

a) Calculation of interest received in respect of loans

The outstanding amount of loans issued by financial leasing companies and providers of consumer credit is determined on the basis of claims of more than and less than one year, which are derived from the balance sheet data available to the NBB's Central Balance Sheet. The outstanding amount due to factoring companies is calculated as the average outstanding amount of trade receivables less the average amount of trade debt (this is an estimate of the advance payments which these companies grant their clients).

In order to determine interest flows, the interest rates are applied to the outstanding amounts. For financial lease credits, we use the interest on credits granted by the credit institutions. For consumer credit and mortgage loans, we also use the corresponding interest rate applied by the credit institutions. Where factoring enterprises are concerned, it is very difficult to take an average interest rate in order to estimate interest flows, because the relevant interest rates are not published. The method of estimation is devised after consultations with the Belgian Association of Factoring Enterprises. In the case of "minor" clients, the factoring enterprises apply an interest rate which is comparable to the one which credit institutions apply to cash loans; for medium-sized and major clients, the interest rate has to be determined on the basis of BIBOR plus a margin. In the absence of detailed information, we calculate the interest rate as the average of the rate applied to cash loans by credit institutions and the 3-month BIBOR rate. It is probable that this method overestimates interest received.

b) Calculation of interest received in respect of monetary investments

Monetary investments are also part of current assets. Some monetary investments are interest-bearing, while others generate dividends. The share of interest-bearing monetary investments in total monetary investments is determined using the detailed data contained in the annex to the full accounts available to the Central Balance Sheet Office. The percentage arrived at is applied to total outstanding monetary investments for the NACE subclass in question. The interest rate is calculated as the annual average interest rate on three-month term deposits.

c) Calculation of dividends received in respect of monetary investments

The remainder of monetary investments gives rise to dividends. In order to estimate the yield, we calculate the average yield of financial fixed assets (mostly equity) for the NACE subclass in question.

The above calculations make it possible to determine total income received in respect of current assets. We compare the total with the income from current assets stated in the annual accounts and assume that the difference is recorded as turnover.

Example:

➤ **financial leasing**

- theoretical amount of income received from property:
⇒ interest received on leasing credits:
 - ◆ **Outstanding amount**: the value of trade claims and other claims⁷² (>1 year and <= 1 year) on 31/12/2003 (it would have been preferable to use the average over the period from the end of 2002 to the end of 2003, but we do not possess the end-2002 data for all the enterprises for which we possess the corresponding end-2003 data); the amount is probably a slight overestimate (firstly, because there are also claims which are not lease credits and, secondly, because we have taken the situation as of 31/12/2003, rather than the average for the year). A more accurate estimate is not feasible, unfortunately.
 - ◆ **Interest rate**: the average interest rate on lease credits provided by credit institutions (data: schedule A)
 - ◆ **Calculations for 2003**:

		(millions of euros)
outstanding amounts leasing credits		5 740.4
interest rate		3.34 %
theoretical interest received on leasing credits		191.7

Note: interest calculated in this way can be a slight overestimate. This is not too important for the value added of financial intermediaries because interest received is included in the calculation of the value of FISIM output (see below). Interest flows are therefore important for identifying that part of output which relates to FISIM or other output and determine the extent to which the financial sector impacts on the level of GDP. We are not currently in a position to make more accurate estimates, as the results of the structure survey cannot be used directly to estimate the total value of interest received.

⁷² Enterprises providing financial leasing, consumer credit and other credit should normally record other loans under "commercial claims", but in practice they also record them under "other claims".

When the results of the claims and liabilities survey currently being conducted by the NSI become available, it will be possible to make a clearer distinction between types of loan, and estimates of interest received will become more accurate.

⇒ Interest received in respect of monetary investments

- ◆ **Outstanding amounts**: the annexes to the full accounts available to the Central Balance Sheet Office are used to estimate the share of monetary investments which generate interest (i.e. fixed-interest securities and time deposits) in total monetary investments. The percentage thus obtained is applied to the total amount of monetary investments in the full and abridged accounts.
- ◆ **Interest rate**: interest rate on time deposits of three months.
- ◆ **Calculations for 2003**:

		(millions of euros)
outstanding amount		19.8
interest rate		2.9 %
theoretical interest on investments		0.6

Dividends received in respect of monetary investments

- ◆ **Outstanding amount**: interest-bearing monetary investments (determined in the manner described above) are deducted from total monetary investments.
- ◆ **Dividends**: financial fixed assets are, to a large extent, participations in the equity of other enterprises. Accordingly, income from financial fixed assets comprises mainly dividends. An average yield is calculated by dividing income from fixed financial assets by the outstanding value of those assets. This estimate is based on an assumption, but the amounts involved are relatively small.

- ◆ **Calculations for 2003**:

		(millions of euros)
outstanding amount		7.0
average return on financial fixed assets		3.36 %
theoretical dividends on investments		0.2

- The amount of interest recorded in the turnover account can be determined by comparing theoretical property income with the heading "financial revenues from current assets".

◆ **Calculations for 2003:**

	(millions of euros)
theoretical interest on leasing credits	191.7
theoretical interest on investments	0.6
theoretical dividends on investments	0.2
total theoretical property income on current assets	192.5
amounts of income from current assets recorded in the accounts	- 175.9
interest on current assets recorded in the turnover	16.6

3.16.3.3.3.2. Intermediate consumption

Intermediate consumption is calculated on the basis of "Services and various goods" and "Other operating costs" as recorded in the accounts available to the Central Balance Sheet Office. The item "Various goods and services" is only available for the full accounts. For the abridged accounts, this item is estimated per NACE-BEL subclass on the basis of the full accounts. The item "Other operating costs" is available for both the full and abridged accounts.

(millions of euros)		65.210	65.221	65.222	65.223	65.231	65.236	Total
Services and various goods	BC	208.1	193.4	57.2	17.2	110.6	10.4	596.9
+ Other operating costs	BC	21.3	38.9	2.4	14.7	2.1	6.4	85.8
- Corporate taxes	BC	- 3.0	- 3.2	- 0.6	- 0.5	- 0.9	0.0	- 8.2
- Component of non-life insurance premiums which is not remuneration for a service	SSE+ calculation	- 0.6	- 1.1	- 0.3	0.0	- 0.6	- 0.1	- 2.7
- Gifts	SSE	0.0	- 0.1	0.0	0.0	0.0	0.0	- 0.1
- Expenditure on software	SSE	- 1.0	- 1.9	- 0.5	- 0.3	- 0.9	- 0.1	- 4.7
+ formation cost	BC	0.0	0.1	0.1	0.0	3.1	0.0	3.3
Intermediate consumption (excluding FISIM)		224.8	226.1	58.3	31.1	113.4	16.6	670.3

1. Operating costs include the entire value of non-life insurance contributions paid. In accordance with ESA 95, intermediate consumption includes only that part of contributions which represents payment for a service. We can estimate the amount of contributions paid by financial intermediaries from the results of the structure survey. The official responsible for the insurance institutions and pension funds subsector calculates the percentage of non-life insurance contributions that does not represent payment for a service. We use the same percentages for this adjustment as for all other financial
2. Corporate taxes: these are deducted from the value of other operating income. Annex VIII.F to the full accounts states the amount of this item. For the abridged accounts, we estimate these taxes on the basis of the share of other operating costs which they account for in the full accounts.

3. Gifts: the amounts spent on gifts by financial intermediaries are estimated using the results of the structure survey. The share which these costs account for in the total for the item "Various goods and services" is calculated for the entirety of other financial intermediaries.
4. Software: ESA 95 requires expenditure on software to be recorded as (gross) investment. We use the results of the structure survey to calculate the share of these costs in the total for the item "Various goods and services"
5. Formation expenses. In the annual accounts, formation expenses are capitalised and then amortized every year. ESA 95 requires these costs to be recorded for year t. The annexes to the full accounts provide a detailed breakdown of formation expenses. The abridged accounts state only the opening and closing amounts for this item. This provides the basis for estimating formation expenses incurred in the current year.
6. There may be intermediate consumption of FISIM. As previously indicated, the combined value of FISIM consumed is calculated for the whole of NACE-BEL 65.2, which constitutes sector S.123. It cannot be distinguished by sub-NACE. The intermediate consumption set out in the table above is therefore the intermediate consumption excluding FISIM.

3.16.3.3.4. Corporations of NACE-BEL-subclasses 65.210, 65.221, 65.222, 65.223, 65.231 and 65.236 for which accounts or annual report are not available.

For corporations without accounts available to the Central Balance Sheets Office, data from the National Social Security Office are used : the total wages, and salaries, and social contributions paid. Per NACE-BEL- subclass, the ratio between output and wages and salaries is calculated to obtain an estimation of the output of these corporations. The ratio between input and wages and salaries is used to estimate the input of these corporations.

This estimation did not have to be made for 2003.

3.16.4. Insurance (SUT 66A2)

In Belgium's national accounts, the value added of NACE category 66 is equivalent to that of sector S.125.

3.16.4.1. Composition of branch of activity

This branch comprises the following units:

- insurance companies subject to supervision by the Banking, Finance and Insurance Commission (BFIC);
- reinsurance enterprises (no supervision in Belgium);
- European law insurance branches (no supervision in Belgium);
- pension funds subject to BFIC supervision;
- optional insurance and complementary health care, under the control of the Mutual Societies Supervision Office (MSSO);
- the National Guarantee Commission (NGC) ;
- the Deposits and Financial Instruments Protection Fund (DFIPF);
- the Joint Automobile Guarantee Fund (FCGA) and the Belgian Office of Automobile Experts (BBEA).

This composition is exhaustive. It is not determined via the directory, but via the lists kept by the various supervisory bodies.

3.16.4.2. Sources of information

The preferred sources of information are the globalised annual accounts of insurance companies. This information is supplemented by information obtained from individual annual accounts and the annual structure survey of insurance companies. With regard to insurance branch offices established under European law, the only source of information is the structure survey. In line with the principle of "home country control" applied since 1994, these establishments are not subject to Belgian accounting law. These sources of information are exhaustive and complete.

3.16.4.3. Methodology to calculate market output (P.11)

3.16.4.3.1. Life branch

The value of output is calculated as follows, from the accounting data collected by the BFIC or obtained from the structure survey:

<i>Accounting schedule headings</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Gross premiums	720.1	
+ variations for non acquired premiums	720.3	
1. TOTAL ACTUAL ACQUIRED PREMIUMS		17 898.3
Income from investments in dependent companies (life insurance)	722.1	
+ income from other investments	722.2	
- theoretical rent	722.212	
- investment charges, excluding overheads	624.1 - 624.13	
+ net investment products of the non-technical account	730.1+730.211+730.22-	
	630.1	
- income from investment of insurers' own funds		
2. TOTAL PREMIUM SUPPLEMENTS		3 674.1
Payments	620 111	
+ changes in provision for disasters	620.21	
+ participation in profits, gross amounts	622.11	
3. DUE TOTAL		7835.1
Changes in provision for life insurance	621.11101-621.11102	
+ changes in provision for participation in profits	622.21101-622.21102	
+ changes in provision for life insurance "branch 23"	621.211.101-621.211.102	
- net appreciation for life insurance "branch 23"	722.4+723+730.4-624.3-	
	625-630.3	
4. TOTAL INCREASE IN TECHNICAL PROVISIONS		11 792.5
OUTPUT	1 + 2 - 3 - 4	1 944.8

This calculation covers the 'direct turnover in Belgium' and 'direct turnover abroad' of Belgian companies and their branches established under European law. For direct turnover abroad, amounts are taken from the structure survey of insurance companies supervised by the BFIC. In this survey, companies are asked to distinguish between 'business carried out via an establishment abroad' and 'business carried out directly abroad'. Only 'business carried out directly abroad' is taken into account.

Premium supplements arising from investments in own funds are excluded on the basis of the ratio "own funds/own funds plus technical reserves".

3.16.4.3.2. Non-life branch

The value of output is calculated as follows from the accounting data collected by the BFIC, the MSSO or the enterprises themselves, or obtained from the structure survey:

<i>Accounting schedule headings</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Gross premiums	710.1	
+ variations for non acquired premiums	710.3	
1. TOTAL ACTUAL ACQUIRED PREMIUMS		9 492,8
Income from investments in dependent companies (non-life)	712.1	
+ income from other investments	712.2	
- theoretical rent	712 212	
- investment charges, excluding overheads	614.1-614.13	
+ net investment products of the non-technical account	730.1+730.211+730.22-	
	630.1	
- income from investment of insurers' own funds		
2. TOTAL SUPPLEMENTARY PREMIUMS		760,1
Payments	610 111	
+ changes in provision for disasters	610.21	
+ changes in provision for ageing	611.11	
+ changes in others provisions	611.21	
+ participation in profits, gross amounts	612.1	
+ changes in equalisation provision	619.1	
3. DUE TOTAL		6 299,6
OUTPUT	1 + 2 - 3	3 953,3

This calculation is valid for non-life and industrial accidents insurance ('direct turnover in Belgium') of companies supervised by the BFIC, and for optional and complementary health insurance supervised by MOSO, the National Guarantee Commission, the FCGA and the BBEA. With regard to 'direct turnover abroad', amounts are taken from the structure survey of insurance companies supervised by the ISO. In this survey, companies are asked to distinguish between 'business carried out via an establishment abroad' and 'business carried out abroad directly' for each accounting heading used in the calculation of output. Only 'business carried out directly abroad' is taken into account. Claims payments do not include claims management expenses. Premium supplements arising from investments in own funds are excluded on the basis of the ratio " own funds/own funds plus technical reserves" .

3.16.4.3.3. Reinsurance

The value of output is calculated as follows from companies' accounting data. ESA 1995 recommends recording reinsurance operations as services provided by the reinsurer to the direct insurer. The value of this service is measured by the balance of all the flows between the reinsurer and the direct insurer.

<i>Accounting schedule headings</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Gross premiums	710.1/720.1	1 095.6
- commission to insurers	613 112/623 112	143.5
+ premium supplements	(712.1+712.2- 614.1)/(722.1+722.2-624.1) + (730.1+730.211+730.22-	
	630.1)	67.3
- payments	610 111/620 111	713.8
OUTPUT		305.6

This calculation is valid for the 'life reinsurance' and 'non-life reinsurance' branches of insurance enterprises subject to BFIC supervision and for enterprises specialising in reinsurance but not subject to BFIC supervision.

3.16.4.3.4. Pension funds

The value of output is calculated as follows, from accounting and statistical data on pension funds published by the BFIC, after deducting the data relating to non-autonomous pension funds.

<i>Accounting schedule headings</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Premiums or appropriations in the financial year	4001+4002+4003	
- insurance premiums (1)	3004	626.0
Income from assets + other financial income	4012+4014	
- other financing costs (2)	3009	58.4
Payments	3001+3002	
- insurance payments (3)	4007	683.6
Changes in technical provisions	2002-2001-4006+3003-	
	4004+4005	
- net appreciation (4)	4013+4018+4019-3008-	-73.7
	3014-3015	
OUTPUT	1 + 2 - 3 - 4	74.5

Some pension funds are merely "letter-boxes", in which case the premiums received directly go out the accounts in the form of premiums paid to insurance enterprises. Benefits paid are reimbursed directly by those same companies and appear as pension funds income. These premiums and payments are reproduced as such in the accounting of insurance enterprises. To avoid counting them twice, they are therefore subtracted at pension fund level.

3.16.4.3.5. Auxiliary activities not involving insurance

Enterprises under BFIC supervision, European branches, reinsurers, the DFIPF, mutual organisations, the FCGA and the BBEA are involved in auxiliary activities, mainly property services. Recovered technical charges (sales of unclaimed objects, etc), certain recovered expenses and commissions received are also taken into account.

Accounting schedule headings	Accounting codes	Data for 2003 (millions of euros)
Income from land and buildings	712.211+722.211+730.211	
- adjustments for land	Survey	
- adjustments for property maintenance costs of buildings	Survey	
Total rent		191.7
+ recovered technical charges	610.114-610.122	517.5
+ various commissions and other current income	8.12.611+8.12.612	281.2
TOTAL		990.4

General remark

Exports of insurance services are estimated on the basis of balance of payments data. Exports of reinsurance exports are calculated on the basis of a breakdown (Belgium/rest of the world) of the premiums, indemnities and commissions covered by the structure survey.

3.16.4.4. Methodology for calculating output by own funds (P.12)

For the calculation of output for own final use, cf. 5.11.

3.16.4.5. Methodology used to calculate intermediate consumption (P.2)

3.16.4.5.1. Enterprises under BFIC supervision, European subsidiaries, reinsurance companies, JAGF and BBEA

Intermediate consumption is calculated as follows, using accounting data or information collected via the structure survey:

Accounting schedule headings	Accounting codes	2003 data (millions of euros)
External management expenses (disasters)	610.112+620.112	362.2
+ commissions to intermediaries	613.111+623.111	1 843.2
+ reinsurance expenses	71(2)0.2-61(2)0.121 -61(2)3.4 + premium supplements	570.1
+ various goods and services and other administrative expenditure	8.12.2+8.12.52+8.12.54 +613.2+623.2 + survey+637.6	1 095.4
+ FISIM		71.3
TOTAL P.2		3 942.2

For enterprises subject to BFIC supervision, a preliminary adjustment is made to take account of their foreign branches. A second adjustment consists in deducting from the amounts of various goods and services the following items, on the basis on the structure survey: : ground leases, software purchases, gifts and capital goods recorded as overheads. The FISIM is notified by the specialist.

3.16.4.5.2. Other companies

The remaining units (pension funds, optional and supplementary health insurance, NGC, DFIPF) are of little importance. The sources of information on them are less detailed. Intermediate consumption is made up of 'operating costs' items in the annual accounts.

<i>Accounting schedule headings</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Operating costs		101,1

3.16.4.6. Summary

	(millions of euros)
Total P.11	7 268,5
Total P.12	+ 77,9
Total P.2	- 4 043,3
Gross value added of branch 66	3 303,2

3.16.5. Activities auxiliary to financial institutions and the insurance industry (SUT 67A1)

3.16.5.1. Activities auxiliary to financial institutions (NACE 67.1)

3.16.5.1.1. Financial auxiliaries (NACE 67.1) classified to S.12

NACE group 67.1 comprises 3 classes: 67.11 Administration of financial markets, 67.12 Security broking and fund management and 67.13 Activities auxiliary to financial intermediation. Some producers classified to this subsector are monitored by supervisory bodies (in this case the BFIC for among other things fund management corporations and foreign exchange offices), most institutional units in this subsector are however identified from the business register.

3.16.5.1.1.1. Enterprises in activity class 67.1 which submit annual accounts to the Central Balance Sheet Office

Output (P.11)⁷³.

The most important source of information for calculating the output of NACE 67.1 is the annual accounts filed at the National Bank of Belgium. As abridged accounts do not, by definition, contain as much information as full accounts, the values missing from abridged accounts are estimated.

(millions of euros)	Sources	NACE 67.1
Turnover and other operating income	CBSO	2.691,6
- trade goods	CBSO	- 48,5
- gains recorded in output	SSE	- 3,1
- operating subsidies	CBSO	- 0,3
- claims received	SSE	- 0,2
- ground leases	SSE	- 0,2
Total		2.639,3

1. Output: output is calculated from the turnover (70) and other operating revenue (74) in the annual accounts at the CBSO. For companies that file abridged accounts, the turnover is not always available and is estimated from the turnover/gross operating margin ratio calculated from the abridged tables in which the turnover appears in the accounts.
2. Trade goods : output includes only the margin on trade goods sold. This means that the purchase price of trade goods (heading 60) has to be deducted from their sales price.
Sales of trade goods are recorded in turnover. The value of trade goods which have been purchased and sold is recorded under the “trade goods, commodities and consumables” account (we assume that for the financial auxiliaries no materials and supplies are used).
3. Other adjustments: on the basis of the results of the structure survey of financial auxiliaries, adjustment coefficients are calculated and applied to the whole of NACE 67.1. These adjustments cover the value of gains, ground leases and claims recorded under output in the annual accounts.

⁷³ Output for own use (P.12) is estimated for NACE 67 as a whole (cf. 5.10).

Intermediate consumption

(millions of euros)	Sources	NACE 67.1
Services and various goods	CBSO	1.423,5
+ other operating charges	CBSO	50,6
+ profits distributed to managers	CBSO	4,3
- corporate taxes	CBSO	- 20,2
- component of non-life insurance premiums which is not remuneration for a service	SSE	- 5,5
- gifts	SSE	-3,0
- expenditure on software (recorded as current purchases)	SSE	-1,4
- ground leases	SSE	-0,6
+ FISIM		45,1
TOTAL		1.492,8

1. Intermediate consumption is calculated on the basis of the items "Services and various goods" and "Other operating costs" as they appear in the accounts available to the Central Balance Sheet Office. The item "Services and various goods" is only available in the full accounts. For enterprises submitting abridged accounts, this item is estimated per NACE class on the basis of the full accounts. The item "other operating costs" is available in both the full and abridged
2. Profits distributed to managers are added to the amount of various goods and services. Both the full and abridged accounts state these amounts for accounting year t-1, which are paid in the course of the current year.
3. Operating costs include the entire value of non-life insurance premiums paid. In accordance with ESA 1995, intermediate consumption includes only that part of premiums which represents payment for a service. We can use the results of the structure survey to estimate the amount of premiums paid by financial intermediaries. The official responsible for the financial institutions and pension funds subsector calculates the percentage of non-life insurance premiums which does not represent payment for a service.
4. Corporate taxes: these are deducted from the value of other operating income. Annex VIII.F to the full accounts states the amount of this item. For the abridged accounts, we estimate these taxes on the basis of the share of other operating costs which they account for in the full.
5. Software: ESA 95 requires expenditure on software to be recorded as (gross) investment. We use the results of the structure survey to calculate the share of these costs in the total for the item "Various goods and services".
6. Ground lease : the amount of ground lease are not recorded in intermediate consumption. An adjustment is made on the basis of the results of the structure survey of financial auxiliaries.

3.16.5.1.1.2. Enterprises for which annual reports are available

For some enterprises which do not submit accounts to the Central Balance Sheet Office, the value of output is determined on the basis of their annual reports. The items from their profit and loss accounts then have to be adjusted to match ESA 95 definitions. The units in question are the BFIC and CEC/UCV.

3.16.5.1.1.2.1. Output

We find the following results for the output of these institutions.

(millions of euros)	BFC	CEC
Output	43.6	8.7

3.16.5.1.1.2.2. Intermediate consumption

Intermediate consumption can also be calculated from the annual reports of these enterprises. The results of the calculations of intermediate consumption are set out below.

(millions of euros)	BFC	CEC
Intermediate consumption	5.1	8.7

3.16.5.1.1.3. Enterprises classified to NACE class 67.1 that do not submit annual accounts to the Central Balance Sheet Office and which do not publish an annual report

For enterprises which do not submit annual accounts to the Central Balance Sheet Office and do not publish an annual report, we make use of NSSO data on the total amount of wages and salaries paid and social contributions.

3.16.5.1.1.3.1. Output

We can calculate the ratio of output to compensation of employees for enterprises in these activity classes which submit accounts to the Central Balance Sheet Office. We then use the ratio to estimate the output of enterprises for which accounts are not available to the Central Balance Sheet Office.

We calculate the value of output as follows:

<u>Accounts available to Central Balance Sheet Office for enterprises in NACE 67.11, 67.12, 67.13</u>	
Ratio output/compensation of employees	4.76
<u>NSSO files</u>	
Total wages, salaries and social contributions paid by enterprises in NACE 67.11, 67.12 and 67.13 which do not submit annual accounts to the CBSO and do not publish an annual report	37.5
<u>Estimated value of output</u>	178.9

3.16.5.1.1.3.2. Intermediate consumption

The value of intermediate consumption is determined in the same way as the value of output.

<u>Accounts available to CBSO for enterprises in NACE 67.11, 67.12, 67.</u>	
Ratio intermediate consumption/compensation of employees	2.38
<u>NSSO files</u>	
The amount of wages & salaries and and social contributions paid by enterprises in NACE 67.11, 67.12 and 67.13 which do not submit annual accounts to the CBSO	37.5
<u>Estimated value of intermediate consumption</u>	89.4

3.16.5.1.2. Financial auxiliaries (NACE 67.1) classified to S.14

The output of financial services in S.14 is estimated on the basis of the wage bill recorded by the NSSO for self-employed operators in 67.1. This variable is used to extrapolate the accounting data of enterprises in the said NACE branch to the activities of self-employed operators. In order to do this, only those enterprises which submit abridged accounts (which tend to be small enterprises with only a limited number of staff) are taken into account, because their output is liable to resemble that of self-employed operators.

Intermediate consumption is estimated using the ratio P.2/P.1, which is obtained from the abridged accounts of the branch (which state turnover and purchases of goods and services).

	(millions of euros)
Output	483,7
Intermediate consumption	288,6
Value added	195,1

3.16.5.2. Activities auxiliary to insurance and pension funding (NACE 67.2)

3.16.5.2.1. Population of the branch

This branch comprises:

- insurance brokers, insurance adjusters, risk experts and other insurance auxiliaries (NACE 67.20) included in the directory;
- the Insurance Supervision Office (ISO);
- the Union of Insurance Enterprises (UPEA)..

Insurance brokers, insurance adjusters, risk experts and other insurance auxiliaries who carry out their activities as physical persons are part of the households sector (S.14). Those who carry out their activities as legal persons are part of the financial auxiliary sector (S.124).

3.16.5.2.2. Sources of information

The preferred source of information on legal persons in this branch is the Central Balance Sheet Office. For the ISO and UPEA, we possess accounting data. For autonomous enterprises, we use data from the ISO annual report. These sources of information are exhaustive and complete

3.16.5.2.3. Methodology used to calculate market output (P.11)

The output of insurance auxiliaries operating as legal persons is equal to the turnover which they declare to the CBSO. The data are adjusted to allow for enterprises which submit abridged accounts: their turnover is estimated on the basis of the gross margin (enterprises in category B.2)⁷⁴. The output of enterprises which do not submit any accounts to the CBSO is estimated on the basis of wages and salaries declared to the NSSO: output is estimated on the basis of the coefficient of 'turnover/salary' of enterprises in categories A and B.

Output of the ISO and UPEA is estimated using contributions from insurance enterprises which they receive and which are stated in their annual accounts.

Output of independent insurance auxiliaries is equal to the difference between total commissions paid by insurance companies to intermediaries⁷⁵ and the turnover of insurance intermediaries classified to sector S.124. The turnover of S.124 intermediaries is adjusted to take into account the accounting or property activities engaged in by them. Data from the structure survey are used to calculate that

⁷⁴ For more detail on the methodology applied to enterprises in category B2, cf. 3.3.1.1.1.

insurance brokers derive about 10% of their turnover from activities other than the sale of insurance contracts (accounting, property activities, etc.).

<i>Name of accounts heading</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Turnover of insurance brokers in category A	70 + 74	568.3
Turnover of insurance brokers in category B.1	70 + 74	251.7
Turnover of insurance brokers in category B.2	Estimate based on 70/61	589.6
Turnover of insurance brokers in categories B.3 and C	Estimate based on 70/62	99.4
Turnover of adjusters and risk experts in category A	70 + 74	36.1
Turnover of adjusters and risk experts in category B.1	70 + 74	18.9
Turnover of adjusters and risk experts in category B.2	Estimate based on 70/61	54.4
Turnover of adjusters and risk experts in category B.3	Estimate based on 70/62	28.2
ISO contributions		9.2
UPEA contributions		11.2
Turnover of independent insurance brokers (S.14)	=1843.2-1508.9	334.3
TOTAL		2 001.3

3.16.5.2.4. Methodology used to calculate output produced by own means (P.12)

For the calculation of output for own final use, cf. 5.11.

3.16.5.2.5. Methodology used to calculate intermediate consumption (P.2)

Intermediate consumption in NACE 67.2 is calculated using CBSO data. It is the sum of the annual accounts items "Various goods and services" and "Acquisition of goods". Again, adjustments are made to these data in order to allow for enterprises which use abridged accounts: their intermediate consumption is estimated on the basis of gross margin (enterprises in category B.2). The intermediate consumption of units which do not submit annual accounts at the CBSO is calculated using the "intermediate consumption/output" ratio of enterprises which do submit annual accounts.

Intermediate consumption by independent insurance intermediaries is calculated by applying the "intermediate consumption/output" ratio in sector S.124.

⁷⁵ From the detailed intermediate consumption of SUT 66A2: 1 843.2 million euros in 2003.

The intermediate consumption of the ISO and the UPEA is obtained from their respective annual reports.

<i>Name of accounts heading</i>	<i>Accounting codes</i>	<i>Data for 2003 (millions of euros)</i>
Intermediate consumption of insurance brokers in category A	60+61	250.1
Intermediate consumption of insurance brokers in category B.1	60+61	139.6
Intermediate consumption of insurance brokers in category B.2	Estimate based on 70/61	327.8
Intermediate consumption of insurance brokers in categories B.3 and C	Estimate based on 70/62	63.7
Intermediate consumption of adjusters and risk experts in category A	60+61	12.9
Intermediate consumption of adjusters and risk experts in category B.1	60+61	11.5
Intermediate consumption of adjusters and risk experts in category B.2	Estimate based on 70/61	32.6
Intermediate consumption of adjusters and risk experts in category B.3	Estimate	16.9
ISO		1.1
TAIE		2.3
Intermediate consumption of self-employed insurance brokers (S.14)	=1843.2-1508.9	179.8
FISIM		27.9
TOTAL		1 073.6

3.16.5.2.6. Summary

<i>Name of accounts heading</i>	<i>Data for 2003 (millions of euros)</i>
Output of branch 672	2001.3
Intermediate consumption of branch 672	1073.6
Value added of branch 672	927.7
of which: value added of sector 124	773.2
value added of sector 14	154.5

3.17. REAL-ESTATE, RENTING AND BUSINESS SERVICES (K)

3.17.1. Introduction

In 2003, the value added of real-estate, renting and business services (Section K) amounted to 54 072 million euros, 22.0% of the value added of all industries combined. It was produced by three institutional sectors: the non-financial corporations (S.11: € 25 011 million), households (S.14: € 28 987 million) and NPISH (S.15: € 74 million).

Gross value added of section K per industry and per institutional sector (2003)

SUT	Industry	NACE code	NACE category	Value added (millions of euros)			
				S.11	S.14	S.15	Total
70A1	Real estate activities	70.1	Real estate activities on own account	3 712.2	19 721.9	0.0	23 434.1
		70.2	Renting of real estate				
		70.3	Real estate activities on behalf of third parties				
71A1	Renting of automobiles and other transport equipment	71.1 71.2	Renting of automobiles Renting of other transport equipment	1 200.7	4.2	0.0	1 204.9
71B.1	Renting of machinery and equipment, and other personal and household goods	71.3	Renting of machinery and equipment	670.6	35.5	0.0	706.1
		71.4	Renting of other personal and household goods				
72A1	Computer and related activities	72.1	Hardware consultancy	3 512.0	68.8	0.0	3 580.8
		72.2	Production of software and systems ready for use				
		72.3	Data processing				
		72.4	Data bases				
		72.5	Maintenance and repair of computers and office machinery				
		72.6	Other computer related activities				
73A1	Research and development work, market	73.1	Research and experimental development on natural sciences and engineering	496.1	1.2	0.0	497.3
		73.2	Research and experimental development on social sciences and humanities				
73A5	Research and development work, non-market	73.1	Research and experimental development on natural sciences and engineering	0.0	0.0	74.2	74.2
		73.2	Research and experimental development on social sciences and humanities				
74A1	Legal activities, and accounting, bookkeeping and auditing activities, tax consultancy, market research and public opinion polling	74.11	Legal activities	2 500.4	1 809.8	0.0	4 310.2
		74.12	Accounting, bookkeeping and auditing activities; tax consultancy				
		74.13	Market research and public opinion polling				
74B.1	Business and management consultancy activities, management activities of holding companies and coordination centres	74.14	Business and management consultancy activities	3 335.8	6 618.4	0.0	9 954.2
		74.15	Management activities of holding companies and coordination centres				
74C1	Architectural and engineering activities and related technical consultancy, technical testing and analysis	74.2	Architectural and engineering activities and related technical consultancy,	2 028.8	383.8	0.0	2 412.6
		74.3	Technical testing and analysis				
74D.1	Advertising	74.4	Advertising	739.8	77.6	0.0	817.4
74 E1	Labour recruitment and provision of personnel	74.5	Labour recruitment and provision of personnel	3 213.8	7.0	0.0	3 220.8
74F1	Investigation and security activities, industrial cleaning, and miscellaneous business activities	74.6	Investigation and security activities	3 600.5	259.1	0.0	3 859.6
		74.7	Industrial cleaning				
		74.8	Miscellaneous business activities				
Total section K				25 010.7	28 987.3	74.2	54 072.2

3.17.2. Method of calculation

The aggregates of the production account and the generating of income account operating accounts for the industries in section K are set out in the following table. The aggregates for non-financial corporations (S.11) and households (S.14) are mostly evaluated using the general method (cf. 3.3). Three types of activity are the subject of the specific calculations described below: renting of real-estate (NACE 70.2/SUT 70A1), legal activities (NACE 74.11/SUT 74A1), and business and management consultancy activities (NACE 74.14/SUT 74B.1). The aggregates for the non-market branch SUT 73A5 are calculated in the same way as other non-market activities in S.15 (cf. 3.21.6).

Section I - Real estate, renting and business services: calculation of gross value added and gross operating surplus according to ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P. 52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.5 2u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+ 61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	60536	-47	89	4521	65099	40500	-437	504	40567	24532	14962	670	360	9260
Cat. A1	30768	114	85	3728	34696	20595	-165	281	20711	13985	10105	306	131	3705
Cat. A2	1552	9	4	190	1755	1022	-1	15	1036	719	587	16	49	166
Cat. B.1	5329	-51	0	142	5419	3334	-77	53	3309	2110	831	68	32	1244
Cat. B.2	12597	-110	0	415	12901	7972	-185	137	7925	4977	1708	153	63	3180
Cat. B.3	5925	0	0	0	5925	4129	0	0	4129	1796	852	69	47	922
Cat. C1	240	-18	0	7	229	275	-8	2	270	-41	20	2	2	-62
Cat. C2	289	0	0	0	289	454	0	14	468	-179	26	15	0	-220
Cat. H	3289	0	0	0	3289	2215	0	0	2215	1074	767	40	21	289
Cat. RF	547	9	1	39	596	505	-1	2	506	90	65	2	15	38
II. Adjustments	-2884	52	471	-367	-2729	-3207	83	-84	-3207	478	301	-129	244	550
(a)	0	0	0	0	0	16	0	0	16	-16	0	-16	0	0
(b)	0	0	0	0	0	0	0	0	0	0	1	0	0	-1
(c)	-37	0	0	0	-37	-17	0	0	-17	-20	0	0	0	-20
(d)	-2762	0	0	0	-2762	-2762	0	0	-2762	0	0	0	0	0
(e)	0	0	0	-159	-159	0	0	-75	-75	-84	0	0	0	-84
(f)	0	0	0	-32	-32	-35	0	0	-35	3	0	0	0	3
(g)	0	0	-49	0	-49	21	0	0	21	-70	0	0	0	-70
(h)	0	0	0	0	0	-25	0	0	-25	25	0	0	0	25
(i)	0	0	521	0	521	-216	0	0	-216	737	0	0	0	737
(j)	0	0	0	0	0	45	0	0	45	-45	0	0	0	-45
(k)	0	0	0	0	0	662	0	0	662	-662	0	0	0	-662
(l)	0	0	0	0	0	-116	0	0	-116	116	0	0	0	116
(m)	0	0	0	-81	-81	0	0	0	0	-81	0	0	0	-81
(n)	0	0	0	0	0	0	0	0	0	0	0	0	34	34
(o3)	-11	0	0	0	-11	0	0	0	0	-11	0	0	11	0
(P.2)	0	0	0	0	0	-135	0	0	-135	135	135	0	0	0
(r)	0	0	0	0	0	147	0	0	147	-147	0	0	0	-147
(s)	-228	0	0	0	-228	-302	73	0	-228	0	0	0	0	0
(t)	-47	47	0	0	0	0	0	0	0	0	0	0	0	0
(v)	-810	-1	-1	-94	-905	-562	10	-8	-561	-345	-189	0	0	-155
(y)	1502	0	0	1502	130	0	0	130	1372	89	0	0	0	1283
(z)	-1010	0	0	0	-1010	-1010	0	0	-1010	0	0	0	0	0
(aa)	-95	0	0	0	-95	133	0	0	133	-228	0	-114	95	-19
(ab)	312	0	0	0	312	118	0	0	118	194	315	1	152	30
(ac)	334	0	0	0	334	334	0	0	334	0	0	0	0	0
(ad)	-31	5	0	-2	-28	-29	0	0	-29	1	-50	0	-49	2
FISIM	0	0	0	0	0	397	0	0	397	-397	0	0	0	-397
III. Closing amount	57652	5	560	4154	62371	37294	-353	420	37360	25010	15263	541	604	9810
Sector S.14														
I. Opening amount	9958	0	0	0	9958	1411	0	0	1411	8547	379	12	7	8163
Cat. A2	123	0	0	0	123	38	0	0	38	85	24	0	0	62
Cat. B.3	9835	0	0	0	9835	1374	0	0	1374	8462	355	12	7	8102
II. Adjustments	7184	0	17543	0	24727	4287	0	0	4287	20440	-10	2360	2	18092
(b)	0	0	0	0	0	0	0	0	0	-27	0	0	0	27
(d)	-87	0	0	0	-87	-87	0	0	-87	0	0	0	0	0
(k)	0	0	0	0	0	4	0	0	4	-4	0	0	0	-4
(l)	0	0	0	0	0	-56	0	0	-56	56	0	0	0	56
(x1)	5138	0	17543	0	22680	2339	0	0	2339	20341	0	2294	0	18047
(x2)	1180	0	0	0	1180	156	0	0	156	1023	0	119	0	904
(y)	954	0	0	0	954	12	0	0	12	942	18	0	0	924
(z)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(aa)	0	0	0	0	0	0	0	0	0	0	-54	1	55	55
(ab)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ac)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	1918	0	0	1918	-1918	0	0	0	0	-1918
III. Closing amount	17143	0	17543	0	34685	5698	0	0	5698	28987	369	2372	9	26255
(I+II)														
Sector S.15														
Amount	31	0	2	79	112	38	0	0	38	74	60	1	0	14

3.17.3. Real-estate activities (SUT 70A1)

Whereas NACE 70.1 and 70.3 (real-estate activities) are estimated according to the general method (cf. 3.3), the renting of real-estate (NACE 70.2) is estimated using specific sources and methods.

The total value of the renting of real-estate is obtained by adding households (S.14), including housing services (rent actually paid and output of housing services by owner-occupiers) and work carried out by households for own final use to the non-financial corporations (S.11) in branch 70A1.

3.17.3.1. Housing services produced by households

3.17.3.1.1. Estimate of base year 2001

3.17.3.1.1.1. Output

In general, the output of housing services is estimated by multiplying volume by price. In fact, the number of dwellings is multiplied by the rental for each type of dwelling. Estimates are made both for tenants and for owners.

Tenants

Volume

The results of the 2001 Population and Housing Census done by the Directorate General of Statistics and Economic Information (DGSEI) give the number of dwellings in Belgium.

Dwellings are classified according to a number of characteristics. Given the necessary relationship with price, the same four characteristics are adopted both for the volumes emerging from the 2001 Census and for prices, as follows:

1. Type of dwelling:
 - detached house
 - non-detached house
 - apartment/studio
2. Number of bedrooms:
 - no bedrooms
 - 1 bedroom
 - 2 bedrooms
 - 3 bedrooms
 - 4 bedrooms or more
3. Date of construction:
 - before 1945
 - after 1945
4. Garage:
 - no garage
 - garage for one or more cars

The different values of the various characteristics result in a total of $3 * 5 * 2 * 2 = 60$ different categories.

Prices

Since 1992 we have an annual " Panel Study of Belgian Households" (PSBH) based on socio-economic surveys of a panel of Belgian households by the Universities of Antwerp (UIA) and Liège (ULg). This panel study provides information on actual rentals per dwelling relative to the characteristics adopted.

We decided to estimate total rentals by direct extrapolation, by multiplying the (actual) rentals arising from the PSBH survey for each type of dwelling by the number of each type of dwelling according to the Population and Housing Census.

Owners

The output of owners is estimated by exactly the same method as tenants except that the rentals are attributed by assimilation to comparable types of dwelling.

3.17.3.1.1.2. Intermediate consumption (P.2)

Intermediate consumption comprises typical owner expenditure (on the services of electricians, plumbers etc.), whether owner-occupiers or landlords renting out. Final consumption comprises typical tenant expenditure (various small charges for modification or maintenance of dwellings, etc.).

The HBS provides basic data for estimating intermediate consumption.

3.17.3.1.2. Estimation of intermediate years

Output (P.1)

There are three indices that make up for the lack of updates of the 2001 Census and the PSBH survey:

- Estimated volume index based on statistics for completed dwellings, adjusted for dwellings taken out of use, the latter represented by the difference in the 2001 Census base year between the theoretical and actual number of dwellings. The theoretical number of dwellings in the 1991 Census is supplemented by adding completed new dwellings. We assumed a linear trend in the number of owners or tenants.
- Price index: the consumer prices index of rentals for non-social housing.
- Quality index: kept constant between two censuses.

Intermediate consumption (P.2)

Intermediate consumption of housing services is actually estimated using data on typical owner expenditures from the HBS. It is possible to estimate the consumption in a direct way using :

- some HBS figures and
- the number of dwellings.

Intermediate consumption includes fire and other insurance on assets (housing) which is stated in the annual accounts of companies. The insurance cover of both buildings and contents is apportioned between intermediate consumption and final consumption of households on the basis of the number of dwellings occupied by tenants (final consumption) or owners (intermediate consumption). It seems reasonable to link the amount of fire insurance with the number of dwellings concerned.

Families may also rent non-residential real estate (offices, storage places, etc.) to enterprises/corporations (self-employed persons and corporations) who use these for professional purposes.

This 'professional' rental income is known via the tax returns and must be added to the production of housing services to get an exhaustive production figure in NACE 70 for S.14. The amounts included in the accounts for 2003 are as follows

<i>(millions of euros, 2003)</i>				
	housing services	professional renting	total	
P.1 output	22,680.4	1,179.7	23,860.1	
P.11 real renting	5,137.8	1,179.7	6,317.5	
P.12 imputed renting	17,542.6	0.0	17,542.6	
P.2 intermediate consumption	2,338.9	156.5	2,495.4	
B.1g value added	20,341.5	1,023.2	21,364.7	

3.17.3.2. Work done by households for own final use

Construction, modification and renovation work done by households themselves is estimated from the HBS heading on " real-estate purchases and property works" .

Output and value added are extrapolated from the resulting input according to the P.1/P.2 ratio of the supply and use table, taking into account installation work (SUT 45D.1) and finishing work (SUT 45E1). The 2003 amounts of works by households for own final use are as follows:

P.1	Output	196.5
P.2	Intermediate consumption	120.1
B.1g	Value added	76.4

3.17.4. Legal, bookkeeping, and auditing activities; tax consultancy; market research and public opinion polling (SUT 74A1)

The turnover of NACE 74.11 activities (legal activities: solicitors, notaries, bailiffs, etc.) is not subject to VAT. The estimate of the units classified to S.14 is therefore carried out via the personal tax data. The method used here is explained for medical practitioners (cf. 3.20.3.1.2). Some units in NACE 74.11 do however carry out activities that are subject to VAT. Their production is calculated via the figures declared in the VAT returns.

As an illustration the amounts are given below that are obtained for the legal professions classified to S.14.

Administrative aggregates (source PIT, NSSO and VAT)	2003 (millions of euros)
Operating income	1 398.9
- operating costs	417.5
Gross value added	981.4

3.17.5. Business and management consultancy activities, management activities of holding companies and coordination centres (SUT 74B.1)

The aggregates for NACE 74.15 'Management activities of holding companies and coordination centres' are calculated in accordance with the general method (cf. 3.3). The calculations of the aggregates for NACE 74.14 'Business and management consultancy activities' differ from these.

In the following the method of calculation for NACE 74.14 is explained, on the one hand for non-financial corporations, on the other hand for households.

3.17.5.1. Calculation of aggregates for NACE 74.14

3.17.5.1.1. Non-financial corporations (S.11)

Aggregates are calculated in accordance with the general method (cf. 3.3).

3.17.5.1.2. Households (S.14)

The households active in this branch of activity can be divided into two groups:

- those that are VAT-registered and therefore obliged to regularly submit their VAT returns;
- those that are not VAT-registered.

3.17.5.1.2.1. VAT-registered households

For this category the data needed to calculate the turnover and current acquisitions can be taken from the VAT returns submitted and the calculation follows the general method.

2003	VAT return boxes	(millions of euros)
Turnover	$00 + 01 + 02 + 03 + 45 + 46 + 47$	141.7
Current acquisitions	$81 + 82$	69.7

3.17.5.1.2.2. Non VAT-registered households

Non VAT-registered households are mainly business managers, working in corporations. The compensation that they receive from corporations because of their activity is not in the form of a salary and is therefore not declared to the NSSO by corporations, so this cannot be used as a source.

Data from personal income tax returns is used to calculate the output and intermediate consumption of this category. The income and other necessary information to determine the taxable incomes of business managers is entered in part II of the personal income tax return (cf. 11.1.8) and more precisely in codes 400 (425) to 410 (435) (codes between brackets relate to amounts to be indicated by business managers' spouses).

The following table gives the relevant amounts from personal tax for income year 2003:

2003	Headings of personal income tax return	(millions of euros)
Turnover	$400 + 425$	6 737.7
	$403 + 428$	8.1
Current acquisitions	$406 + 431$	61.8

The total value added (according to administrative concepts) for VAT-registered households plus non VAT-registered households is EUR 6 756.1 million.

2003		(millions of euros)
Turnover (proxy for P.1)	Non VAT-registered	6 745.9
	VAT-registered	141.7
Current acquisitions (proxy for P.2)	Non VAT-registered	61.8
	VAT-registered	69.7

The administrative aggregates thus obtained are then converted to national accounts aggregates (cf. 3.3).

3.18. PUBLIC ADMINISTRATION (L)

3.18.1. Introduction

In 2003, the value added of the branches of activity of public administration (Section L) amounted to 18 226.4 million euros, i.e. 7.4% of the value added of all branches of activity combined. By definition, it was produced entirely by the institutional sector of general government (S.13).

Gross value added of section L, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)	
				S 13	Total
75A3	Public administration, except defence and compulsory social security	75.1	General, economic and social administration	14 501.5	14 501.5
		75.21	Foreign affairs		
		75.23	Justice		
		75.24	Public security		
		75.25	Civil protection		
75B.3	Defence	75.22	Defence	2 534.0	2 534.0
75C3	Compulsory social security	75.3	Compulsory social security	1 190.9	1 190.9
Total, section L				18 226.4	18 226.4

3.18.2. Method of calculation

The aggregates of public administration are set out by branch and subsector in the following table. Since overall output (P.1) is equal to the costs borne by general government, the method consists initially in calculating compensation of employees (D.1), intermediate consumption (P.2) and consumption of fixed capital (K.1). Subsequently, overall output is broken down by market output (P.11), output for own final use (P.12) and other non-market output (P.131, P.132).

The evaluation of the compensation of employees and intermediate consumption is described below. The calculation of consumption of fixed capital is done from the income perspective (cf. 4.12). The breakdown of the output of general government is dealt with in the section on the final consumption expenditure of S.13 (cf. 5.9).

Section L - Public administration: Calculation of gross value added and net operating surplus in according accordance withto ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11 1	P.12	P.13 1	P.132	Total P.1	P.2	B.1g	D.1	K.1	B.2n
Sector S.13										
I. Public administration, except defence and social security (SUT 75A3)	1201	152	1307	16899	19559	5058	14502	13212	1289	0
I.1. Federal government (S.1311)	389	152	351	5756	6648	1541	5108	4788	320	0
I.2. Communities and Regions (S.1312)	68	0	347	3509	3924	1568	2356	2068	288	0
I.3. Local authorities (S.1313)	744	0	609	7634	8987	1949	7038	6357	682	0
II. Defence (SUT 75B.3, S.1311)	0	19	0	3138	3157	623	2534	2336	199	0
III. Compulsory social security (SUT 75C3, S.1314)	12	13	17	1929	1971	780	1191	1116	75	0
S.13 TOTAL (I+II+III)	1213	184	1324	21966	24687	6460	18226	16664	1562	0

3.18.3. Compensation of employees (D.1)

3.18.3.1. Description of basic data

In the Benelux economic regrouping, the compensation of own personnel appears under economic code 11 (Wages and social contributions). This includes all payments and benefits paid by general government as an employer to its employees as remuneration for work (including contributions to widows' and orphans' funds, social security contributions and withholding taxes).

Therefore, there must be an employment relationship, and this applies also to political mandates (ministers, secretaries of state, deputies, aldermen, members of municipal councils and members of parliament).

Group 11 also covers the salaries, allowances and pensions paid in Belgium to ministers of religion⁷⁶.

In Belgium, the Central Service for Penitentiary Work is regarded as a public-sector enterprise (in sector S.11); the remuneration of prisoners therefore falls outside the public sector.

⁷⁶ In the national accounts, ministers of religion are classified in branch O, NACE 91 (cf. 3.21) and belong to sector S.15 (NPISH).

Group 11 breaks down as follows:

11.1 Wages as such

11.11 Remuneration according to tariffs

It is important, in order to know the development of the wage base in the public sector, to know wages as such, before any kind of allowances and before deduction of social insurance and retirement contributions, taxes etc.

11.12 Other elements of remuneration

These include pay for overtime, night work or irregular working hours, productivity bonuses, attendance fees for officials, allowances for senior functions, gratuities and holiday pay.

Allowances for travel on duty are regarded as reimbursement of expenses and are consequently coded under 12.1.

Relocation expenses are a particular form of travel expenses and therefore come under code 12.1. Allowances paid to employees for the purchase of tools, means of transport and special work clothing (for protection from dangerous or polluting substances) are regarded as purchases of goods and services (group 12).

11.2 Employers' social contributions paid to institutions or funds

These include legal, contractual and voluntary contributions to insurance against the risks of absence due to sickness and associated expenses, disability, old age, unemployment, accident and death, and family allowance contributions. It follows from this list that retirement benefit contributions (old age and survivors' pensions) are also included.

Although paid directly by employers to the insurer, these employers' contributions are treated as part of the compensation of employees, which the latter are deemed to pay to the insurer.

Retirement pensions paid to the former staff of public-interest organisations affiliated to the pension scheme instituted by the Law of 28 April 1958 are paid via the pool of semi-state organisations, which collects contributions from its affiliated bodies. These contributions are regarded as social contributions (code 1120).

11.3 Other employer's social costs

These comprise social benefits provided directly by employers to their employees or former employees and dependants. They are treated as contributions to a contributory social insurance scheme.

Other employer's social costs comprise:

11.31 Direct allocations

These include, *inter alia*, family allowances, birth allowances, reduced pays, payments allowances relating to covering insurance for expenses pertaining to sickness, industrial accidents and death, and all relating direct allocations..

11.32 Continued payment of wages

This means the payment of wages as such for the period during which a worker is out of action/inactive due to sickness, accident or redundancy.

11.33 General government staff pensions

This item includes pensions paid directly - i.e. not via a contributory system - by general government to its personnel and/or their dependants, and the pensions of former political appointees and/or their dependants. Concerning semi-state bodies, payments to their pool are coded under 1120.

11.4 Wages in kind

Benefits in kind deemed part of the compensation of employees, such as the provision of food, clothing, military uniforms and housing either free of charge or at reduced prices, are treated as wages in kind.

Code 11 includes *inter alia*:

- 11.11 - Remuneration according to tariffs;
- Promotion to higher grades;
- Wage increases;
- Ministerial cabinet allowances;
- Allowances relating to recruitment;
- Travel allowances;
- Student remuneration.

11.12 In general, elements of remuneration not covered by tariffs, particularly:

- subsidised season tickets, i.e. general government's contribution to the price of season tickets purchased by its employees who use public transport (distance between home and place of work);
- allocations for higher functions;
- allowances for special functions;
- allowances for overtime;
- attendance fees and various payments (taxable) awarded to staff members or public agents (deputies, senators, etc.);
- allowances payable to drivers;
- Christmas allowances and bonuses;
- household and residential allowances;
- holiday pay;
- trade-union bonuses;
- fixed allowances for living abroad;
- refunding of installation expenses abroad;
- allowances for expatriation;
- allowances for foreign postings.

11.20 - Employers' social contributions paid to social security funds;

- Contributions by public interest organisations to the semi-state pension funds pool;
- Employers' social contributions paid to institutions other than social security funds.

11.31 Direct allocations, in particular:

- family allowances;
- birth allowances;
- allowances for industrial accidents paid to general government staff (if the entity is its own insurer);
- allowances for expenses relating to terminal sicknesses and funerals;
- severance payments;
- disability pensions paid directly to beneficiaries;
- non-returnable social contributions to personnel (other than for meals).

11.32 - Severance payments to cabinet members (maintained payment of salaries);

- Payments for non-active status.

11.33 - Retirement pensions paid directly by government to former staff members (as regards semi-state bodies, contributions to the pool are coded under 11.20).

- 11.40 - Remuneration in kind;
- Various items of social services expenditure ("Saint Nicolas", trips, subsidised meals, etc.) similar to remuneration in kind;
 - Cards entitling the holder to reduced public transport fares;
 - Meals paid for in part or in full;
 - Regular transport of personnel from home to place of work by special shuttle;
 - Free transport for statutory staff;
 - Contributions towards luncheon vouchers;
 - Contributions towards civilian and military uniforms (other than working or on-duty service clothes).

3.18.3.2. Imputed social contributions

Imputed social contributions are the counterpart of social benefits that employers pay directly to their employees or former employees, or their survivors, without creating an autonomous fund, setting up special reserves or taking out specific insurance. These benefits concern mainly general government staff with the "official" status and mainly comprise retirement pensions and family allowances⁷⁷. General government staff not having the status of officials are covered by the private-sector social security arrangements.

These imputed social contributions are currently estimated as being equal to social benefits paid (less employees' social contributions). It is not currently possible to develop a model on an actuarial basis for estimating imputed social contributions on the basis of employers' future commitments with regard to the payment of benefits.

At the same time as reforming the police forces, the government also profoundly altered the financing of police retirement and survivors' pensions. An "Integrated Police Pensions Fund" was set up by the Federal Finance Ministry. The fund provides pensions awarded from 1 April 2001 onwards and receives individual contributions and employers' contributions from the federal police and the police zones. In the ESA 1995 accounts terminology, this fund is regarded as managing a "social security regime" but, since it is not an institutional unit, it remains within the central government subsector (S.1311).

In practice, the Fund pays police pensions awarded from 1 April 2001 onwards and has been receiving contributions since the beginning of 2003. During the transitional period from 1 April 2001 to

⁷⁷ An important borderline case is temporary maintenance of payment by the employer of wages and salaries in the event of sickness, maternity, disability, etc. This item has not been estimated, however, and the corresponding payments were left under "gross wages and salaries" (D.11).

31 December 2002, contributions from members of the police were paid to the various pension regimes they were under on 31 March 2001. The Survivors' Pensions Fund advanced the sums needed for paying pensions that started from 1 April 2001 onwards. The Integrated Police Pensions Fund reimbursed these payments in 2003.

Before the establishment of this new system, retirement pensions for federal police and gendarmes were paid directly by the Public Treasury, i.e. the central government (S.1311) as employer, without any contributions being levied, whereas survivors' pensions were payable from the Survivors' Pensions Fund fed by individual contributions. Retirement and survivors' pensions for municipal police were integrated with municipal pensions for statutory staff, involving three coexisting systems:

- the "local government common pension scheme" and the "new members' pensions scheme", often referred to as Pool I and Pool II, which are disbursing schemes run by the NSSOPLA and are therefore part of the social security administration subsector (S.1314) in ESA 1995 public accounts;
- the "welfare institutions scheme" whereby employers make an agreement with an insurance company to provide pensions for the members of their statutory staff. This is a collective capitalisation scheme falling within the insurance corporations and pension funds subsector (S.125);
- the "internal scheme" comprising local authorities that opt not to join either of the schemes described above and therefore have to make their own arrangements for the funding and payment of pensions for their staff and the latter's dependants. Under this scheme there is no payment of employer's contributions but a withholding levy on employees. These operations are recorded in the employer's accounts, i.e. in the local government subsector (S.1313).

Since the introduction of the Integrated Police Pensions Fund, the previous schemes no longer receive any levy from federal or local police salaries but continue to bear the cost of retirement and survivors' pensions awarded before 1 April 2001. The legislation therefore provided for the Integrated Police Pensions Fund to transfer resources to these schemes so that they have sufficient resources to meet their obligations. The ESA 1995 accounts thus record transfers (D.75) between the central government subsector (S.1311) and the other subsectors concerned.

Furthermore, considering that the transfer of gendarmes to the police zones and the improvement in the pecuniary status of police officers increased the employers' contributions payable by police zones, the legislation provides for the central government to subsidise part of the contributions payable by

those police zones. A transfer (D.75) between the central government (S.1311) and the police zones (S.1313) is thus recorded.

Since the general system of public-sector pensions payable from the public purse is not funded by contributions actually levied, the ESA 1995 system refers to a "social insurance scheme with no formation of reserves managed by employers" and imputes social contributions in such a way as to provide a full measure of labour costs. These social contributions, which should be calculated by an actuarial method with reference to employers' future commitments to pay benefits, are estimated as equal to the benefits paid, net of any withholdings from employees.

As currently serving federal police officers no longer participate in this system, the estimation of imputed contributions involves deducting the retirement pensions of gendarmes and federal police officers that started before 1 April 2001. The result for the retirement pensions of federal officials is as follows:

Social contributions imputed (D.122 = D.612)

- = pensions paid
- any withholdings for pensions
- pensions of federal police officers and gendarmes running since before 1 April 2001.

The same principle is applicable to the earlier municipal police pensions payable under the "internal scheme".

3.18.3.3. Calculation of compensation of employees

<i>Data for 2003 (millions of euros)</i>	
Public administration except defence and social security (SUT 75A3) of central government (S.1311)	
Code 11 (Administration)	5 085.8
Remuneration of ministers of religion	- 121.9
Differences in definition ⁷⁸ of "central government"	+ 44.5
Pensions of agents of the Communities and Regions	- 120.6
Integrated Police Pensions Fund: pensions running since before 1 April 2001	- 99.9
<i>Subtotal</i>	= 4 787.9
Public administration except defence and social security (SUT 75A3) of Communities and Regions (S.1312)	
Code 11 (Administration)	1 971.2
Differences in definition of "Communities" and "Regions"	+ 41.4
Pensions of agents of the Communities and Regions	+ 63.6
Walloon Region: December 2003 remuneration paid in December 2003 (instead of January 2004)	- 8.5
<i>Subtotal</i>	= 2 067.7
Public administration except defence and social security (SUT 75A3) of local government (S.1313)	
Code 11 (Administration) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	6 269.0
Differences in definition of "local government"	+ 87.7
<i>Subtotal</i>	= 6 356.7
Defence (SUT 75B.3)	
Code 11 (Defence)	= 2 335.5
Compulsory social security (SUT 75C3)	
Remuneration and social contributions of staff of social security organisations for employed and self-employed persons, the Overseas Social Security Office (OSSO) and the Zorgfonds	= 1 116.3
Total, branch L	- 16 664.1

⁷⁸ Taking into account institutions not included in the data of the Benelux economic regrouping.

3.18.4. Intermediate consumption (P.2)

3.18.4.1. Description of basic data

In the Benelux economic regrouping, the relevant headings are coded 12, 13, 14 and 17.

(i) *Code 12 - Purchases of non-durable goods and services*

For its purchases of goods and services, government deals mainly with the corporate sector and foreign suppliers. Since it is very often difficult to identify the source of goods and services, no distinction is made in the coding.

There are circumstances in which households provide services in exchange for remuneration which cannot be regarded as wages, as there is no employer/employee relationship. Such services are recorded by government as purchases of non-durable goods and services. Attendance fees paid to persons other than established officials on official and administrative boards and colleges are also included in group 12.

Any purchases by government that are normally made by households are entered as transfers in kind (34.32) to households (or as wages in kind, as in 11.4). It is the case for instance when government buys food, clothing, medicines, etc. and distributes them to households free of charge. Likewise hospital expenses for needy patients and welfare aid to the poor.

Purchases of non-durable goods and services intended to be transferred abroad as gifts are recorded as income transfers (cf. group 35) to other countries.

Code 12 included, in particular:

12.11 Operating overheads paid to sectors other than the general government sector

The purchases referred to in 12.11 can be broken down as follows:

- Expenses such as office equipment, drawing, reproduction, printing and binding equipment, purchases of books, periodicals and newspapers, maintenance, hire and repair of furniture and office machines, carriage charges, telephone, telegrams, the cost of sending service documents and interdepartmental mail, bank charges and accountants' fees, remuneration for informatics works, typing and translation work, and remuneration of temporary administrative staff.

- Repair and maintenance of buildings not resulting in any increase in value, cleaning of buildings by specialist companies, fuel, electricity, gas and water, insurance premiums, surveillance and relocation expenses and associated minor expenses.
- Living and hospitality expenses, including those incurred by members of staff and refunded by government.
- Honorary allowances and attendance fees paid to outsiders. If they are paid to persons treated as general government staff, they are classified under group 11.
- Other overheads, e.g. relating to recruitment and staff training, and publicity expenses. Any partial or total compensation granted to members of staff following induction courses arranged by the department which employs them is regarded as government consumption. Publicity expenses can include printing expenses, films, radio and television broadcasts and the cost of organising exhibitions.
- Inexpensive small tools used to carry out relatively simple work or operations: hand tools such as saws, hammers and screwdrivers or small accessories such as pocket calculators. By convention, ESA records as intermediate consumption all expenditure devoted to the acquisition of such durable items which does not exceed € 500 (at 1995 prices) per article (or with a total value not exceeding this ceiling where large purchases are involved).
- Payments for the use of non-produced intangible assets, such as patented assets, trademarks, etc. (other than payments to purchase such property rights, which are treated as acquisitions of non-produced intangible assets (code 7440)).
- Investment, management and other commissions on public loans and administrative financial expenses.

12.12 Renting of buildings paid to sectors other than the general government sector

12.13 Operational leasing paid to sectors other than the general government sector

12.21 Operating overheads paid within the general government sector

The purchases referred to in 12.21 correspond to those referred to in 12.11.

12.22 Renting of buildings paid for within the general government sector

12.5 Indirect taxes paid to subsectors of the general government sector

These include, *inter alia*, taxes on income from immovable and movable assets, regional taxes, etc. paid by one subsector of general government to another.

The following are not covered by code 12:

- repair and maintenance of civil engineering works not resulting in any increase in value, which are classified to group 14;
- purchases of durable military assets considered as fixed capital formation (group 7, investments) or not (code 13);
- major improvements (e.g. renovation, rebuilding or extension) which significantly exceed what would be necessary merely to maintain fixed assets in good working order;
- employers' expenditure treated as wages and salaries in kind (code 11.40);
- computer software purchases or user licences, treated as investments subject to meeting both of the two following conditions:
 1. they are used in the production process repetitively or continuously for more than one year;
 2. acquisition cost (including VAT) exceeds € 500 (at 1995 prices) per unit or, where large purchases are involved, per order.

If these two conditions are not met, the expenditure in question is regarded as intermediate consumption.

- the development of custom-made software also follows this double rule, whether developed by an external firm or on own account. Any produced for own account is valued at cost price.

(ii) Code 13 - Purchases of durable military assets not regarded as gross fixed capital formation

Purchases of durable military assets which are not part of gross fixed capital formation are attributed code 13 (weapons of war and their launching equipment, other than light weapons or armoured vehicles acquired by police and security forces, which are treated as gross fixed capital formation), whereas acquisitions of military assets representing gross fixed capital formation are attributed to code 7 (investments). These include acquisitions of land and buildings (71), construction of buildings (72), civil engineering works (73), acquisitions of other investment goods (74) comparable to those used in the civilian sector (airports, roads, hospitals etc.).

Sales of durable military goods not recorded as gross fixed capital formation (specifically military assets) are attributed code 17, whereas sales of goods which are not specifically military assets are attributed to code 76 (sales of land and buildings) or 77 (sales of other capital goods).

The following items of expenditure are not classified as military consumption expenditure:

- purchases of durable assets which are part of gross fixed capital formation;
- expenditure on civilian protection;
- military service allowances and family support (code 34.3);
- war pensions and similar payments, as described under code 34.2;

- cash gifts from one country to another for general military purposes are classified as transfers of income (group 35 or 39). This involves for instance contributions to joint projects, common infrastructure or maintenance of NATO's administrative apparatus.

(iii) Code 14 - Repair and maintenance of civil engineering works not resulting in an increase in value

This group includes expenditure on roads, canals, bridges, tunnels, ports, etc. insofar as they cannot be regarded as investments (cf. group 73).

It involves expenditure intended to preserve the value of capital assets. Maintenance entails regular and permanent work to ensure the proper functioning and goods of capital assets. These operations are classified as current expenditure.

Substantial changes to existing capital goods which result in an increase in value (e.g. road repairs which completely transform roads by laying a new surface, adopting of a different layout, etc.) are recorded as investments (group 73). Repairs to damage caused by war or natural disasters are also treated as investments (group 7).

(iv) Code 17 - Sales of durable military goods

Sales of durable military goods are classified here if their purchase falls within group 13. This involves surplus or scrapped military equipment.

3.18.4.2. Calculation of intermediate consumption

<i>Data for 2003 (millions of euros)</i>	
Public administration except defence and social security (SUT 75A3) of central government (S.1311)	
Code 12 (Administration)	+ 1 470.4
Code 14	+ 0.3
Differences in definition of "central government"	+ 45.9
FISIM on deposits	+ 6.9
FISIM on credits	+ 17.4
<i>Subtotal</i>	= 1 540.9
Public administration except defence and social security (SUT 75A3) of Communities and Regions (S.1312)	
Code 12 (Administration)	1 257.9
Code 01 (unallocated and/or unforeseen expenditure)	+ 224.4
Differences in definition of "Communities" and "Regions"	+ 17.8
FISIM on deposits	+ 3.5
FISIM on credits	+ 64.2
<i>Subtotal</i>	= 1 567.8
Public administration except defence and social security (SUT 75A3) of local authorities (S.1313)	
Code 12 (Administration) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	2 003.7
Adjustment for non-life insurance (less gross premiums, plus service)	+ -54.7
<i>Subtotal</i>	= 1 949.0
Defence (SUT 75B.3)	
Code 12 (Defence)	521.6
Code 13	+ 107.5
Code 17	- 6.1
<i>Subtotal</i>	= 623.0
Compulsory social security (SUT 75C3)	
Other current operating expenditure by social security organisations for employed and self-employed persons, the OSSO and the Zorgfonds	= 779.7
Total intermediate consumption	6 460.4

3.19. EDUCATION (M)

3.19.1. Introduction

In 2003, the value added of education activities (Section M) amounted to 16 398.9 million euros, i.e. 6.7% of the value added of all branches of activity combined. It was produced by four institutional sectors: the sector of non-financial corporations (S.11: € 222.1 million), the general government sector (S.13: € 15 981.4 million), the households sector (S.14: € 15.5 million) and the NPISHs sector (S.15: € 179.9 million).

Gross value added of section M, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)				
				S.11	S.13	S.14	S.15	Total
80A1	Market education	80.1	Primary education					
		80.2	Secondary education					
		80.3	Higher education					
		80.4	Continuing and other forms of education					
		Total	Market education	222.1	0	15.5	0	237.6
80A3	Public education	80.1	Primary education					
		80.2	Secondary education					
		80.3	Higher education					
		Total	Public education	0	15 981.4	0	0	15 981.4
80A5	Other non-market education	80.4	Continuing education and other forms of education	0	0	0	179.9	179.9
Total, section M				222.1	15 981.4	15.5	179.9	16 398.9

3.19.2. Method of calculation

The aggregates of the production and the generation of income accounts for the branches of activity connected with education are set out in the following table. The market education branch (SUT 80A1) is estimated using the general method. In particular, the non-profit institutions (category H) of NACE 80.1, 80.2, 80.3 and 80.4 are estimated from wages and NPA structure survey data (cf. 3.3.1.1.1). The public education branch (SUT 80A3) fall entirely within S.13 and is subject to the specific methodology described below. Non-market output of SUT 80A5 is evaluated according to the specific methodology used for S.15 (cf. 5.8.3.1).

Section M - Education: Calculation of value added and gross operating surplus in accordance with ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	511	-2	0	7	515	292	0	2	294	221	177	3	0	41
Cat. A1	42	-1	0	3	44	26	0	0	27	17	17	0	0	0
Cat. A2	24	-1	0	2	25	15	0	0	15	10	10	0	0	0
Cat. B.1	48	0	0	1	48	28	0	1	28	20	14	0	0	6
Cat. B.2	113	0	0	2	114	67	0	1	68	46	30	0	0	15
Cat. B.3	49	0	0	0	49	28	0	0	28	21	15	0	0	6
Cat. C1	1	0	0	0	1	1	0	0	1	0	0	0	0	0
Cat. C2	2	0	0	0	2	2	0	0	2	-1	0	0	0	-1
Cat. H	232	0	0	0	232	124	0	0	124	108	91	1	0	16
II. Adjustments	1	2	2	-1	3	3	0	0	3	1	10	-1	2	-6
(a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	0	0	0	0	0	0	0	0	0	9	0	0	0	-9
(c)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(h)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	0	0	2	0	2	0	0	0	0	3	0	0	0	3
(j)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(m)	0	0	0	-1	-1	0	0	0	0	-1	0	0	0	-1
(n)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(P.2)	0	0	0	0	0	-1	0	0	-1	1	1	0	0	0
(r)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(t)	-2	2	0	0	0	0	0	0	0	0	0	0	0	0
(aa)	0	0	0	0	0	1	0	0	1	-1	0	0	0	0
(ab)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ac)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ad)	2	0	0	0	2	2	0	0	2	0	0	0	2	2
FISIM	0	0	0	0	3	0	0	0	3	-3	0	0	0	-3
III. Closing amount (I+II)	511	0	2	5	519	295	0	2	297	222	187	2	2	35
Sector S.13														
Amount	351	0	72	17 412	17	1 854	0	0	1 854	15	981	14	926	0
Sector S.14														
I. Opening amount	22	0	0	0	22	12	0	0	12	11	3	0	0	8
II. Adjustments	6	0	0	0	6	1	0	0	1	5	0	0	0	5
(b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	0	0	0	0	0	-1	0	0	-1	1	0	0	0	1
(y)	6	0	0	0	6	1	0	0	1	5	0	0	0	5
(z)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ab)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ac)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FISIM	0	0	0	0	1	0	0	1	-1	0	0	0	0	-1
III. Closing amount (I+II)	29	0	0	0	29	13	0	0	13	15	3	0	0	13
Sector S.15														
Amount	68	0	1	190	259	80	0	0	80	180	169	1	0	10

3.19.3. Public education (SUT 80A3)

Since the education output of S.13 (P.1) is equal to the costs borne by general government, the method consists initially in calculating compensation of employees (D.1), intermediate consumption (P.2) and consumption of fixed capital (K.1). Subsequently, total output is broken down by market output (P.11), output for own final use (P.12) and other non-market output (P.131, P.132).

A detailed description of the production and the generation of income accounts by branch and subsector are set out in the following table. The valuation of compensation of employees and intermediate consumption is described below. The calculation of consumption of fixed capital is set out from the income perspective (cf. 4.12). The breakdown of the output of general government is dealt with in the section on final consumption expenditure of S.13 (cf. 5.9).

SUT 80A3 – Public education: Calculation of gross value added and net operating surplus in accordance with ESA 1995 concepts (millions of euros, 2003)

ESA 1995	P.11	P.12	P.13	Total P.1	P.2	B.1g	D.1	K.1	B.2n
Sector S.13									
I. General government (S.13)									
<i>I.1. Central government (S.1311)</i>	351.3	71.717	412.117	835.1	1 853.715	981.414	925.9	1 055.5	0
	0	0	112	112	68.8	43.2	36.4	6.8	0
<i>I.2. Communities and Regions (S.1312)</i>	351.3	71.713	671.214	094.2	1 484.612	609.611	758.2	851.4	0
<i>I.3. Local authorities (S.1313)</i>	0	0	3 628.9	3 628.9	300.3	3 328.6	3 131.3	197.3	0

3.19.3.1. Compensation of employees (D.1)

3.19.3.1.1. Description of basic data

Cf. 3.18.3.1 General government.

3.19.3.1.2. Calculation of compensation of employees

<i>Data for 2003 (millions of euros)</i>	
Public education (SUT 80A3) of central government (S.1311)	
Code 11 (Education)	960.4
Pensions of agents of Communities and Regions	- 924.0
<i>Subtotal</i>	<i>= 36.4</i>
Public education (SUT 80A3) of Communities and Regions (S.1312)	
Code 11 (Education)	2 578.3
Pensions of agents of Communities and Regions	+ 924.0
Code 44.1 Contributions to salaries of private-sector teachers	+ 6 069.4
Code 44.2 Contributions to pensions of private-sector teachers	+ 1 382.1
Differences in definition of "Communities" and "Regions"	+ 804.4
<i>Subtotal</i>	<i>= 11 758.2</i>
Public education (SUT 80A3) of local authorities (S.1313)	
Code 11 (Education – own share) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	535.0
Code 43.1 Contributions to salaries of teachers of subsidised official education	+ 1 974.2
Code 43.2 Contributions to pensions of teachers of subsidised official education	+ 622.1
<i>Subtotal</i>	<i>= 3 131.3</i>

3.19.3.2. Intermediate consumption (P.2)

3.19.3.2.1. Description of basic data

Cf. 3.18.4.1 Administration.

3.19.3.2.2. Calculation of intermediate consumption

<i>Data for 2003 (millions of euros)</i>	
Public education (SUT 80A3) of central government (S.1311)	
Code 12 (Education)	45.0
Code 44.3 Contributions to other running expenses of private education	+ 23.8
<i>Subtotal</i>	= 68.8
Public education (SUT 80A3) of Communities and Regions (S.1312)	
Code 12 (Education)	268.7
Code 44.3 Contributions to other running costs of private education	+ 1 051.4
Adjustment for non-life insurance (less gross premiums, plus service)	+ -75.5
Difference in definitions of "Communities" and "Regions"	+ 240.0
<i>Subtotal</i>	= 1 484.6
Public education (SUT 80A3) of local authorities (S.1313)	
Code 12 (Education – own portion) Provinces, Communes, PSWCs, police zones and Brussels agglomeration	58.2
Code 43.3 Contributions to other operating costs of subsidised official education	+ 242.1
<i>Subtotal</i>	= 300.3

3.20. HEALTH AND SOCIAL WORK (N)

3.20.1. Introduction

In 2003, the value added of health and social work activities (Section N) amounted to 16 934.4 million euros, i.e. 6.9% of the value added of all branches of activity combined. It was produced by three institutional sectors: the non-financial corporations sector (S.11: € 13 537.0 million), the households sector (S.14: € 2 638.9 million) and the NPISHs sector (S.15: € 758.5 million).

Social work services with accommodation (NACE 85.31) comprise institutions for disabled minors (NACE 85.311), orphanages (NACE 85.312), institutions for children in difficulty (NACE 85.313), institutions for disabled adults (NACE 85.314), rest homes for the elderly (NACE 85.315) and other social work activities with accommodation (NACE 85.316). Social work services without accommodation comprise crèches and day nurseries (NACE-BEL 85.321), sheltered workshops for disabled adults (NACE 85.322) and other social work activities without accommodation (NACE 85.323).

Gross value added of section N, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)			
				S.11	S.14	S.15	Total
85A1	Activities for human health	85.11	Hospital activities				
		85.12	Medical practice				
		85.13	Dental practice				
		85.14	Other activities for human health	9 207.2	2 410.7	0	11 617.9
85B.1	Veterinary activities	85.2	Veterinary activities	85.8	121.0	0	206.8
85C1	Market social work activities	85.31	Social work with accommodation				
		85.32	Social work without accommodation	4 244.0	107.2	0	4 351.2
85C5	Non-market social work activities	85.31	Social work with accommodation				
		85.32	Social work without accommodation	0	0	758.5	758.5
Total, section N				13 537.0	2 638.9	758.5	16 934.4

3.20.2. Method of calculation

The aggregates of the production and the generation of income accounts for health and social work activities are set out in the following table. Some are evaluated by the general method (cf. 3.3), others by specific methods described below for each branch of activity.

Section N - Health and social work activities: Calculation of gross value added and gross operating surplus in accordance with ESA 1995 concepts (millions of euros, 2003)

SEC 1995	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740		600/8+61	609	641/8		62	640	740		
Sector S.11														
I. Opening amount	10175	-12	0	76	10240	3776	-5	17	3788	6452	5444	47	415	1375
Cat. A1	510	-1	0	7	517	327	-2	3	328	189	145	6	19	57
Cat. A2	88	0	0	2	90	44	0	0	44	46	38	1	0	8
Cat. B.1	821	-3	0	19	836	436	-1	4	439	397	193	5	0	199
Cat. B.2	1960	-7	0	48	2000	1098	-2	10	1106	895	332	12	0	552
Cat. B.3	725	0	0	0	725	416	0	0	416	309	123	5	0	182
Cat. C1	4	0	0	0	4	5	0	0	5	-1	0	0	0	-1
Cat. C2	13	0	0	0	13	16	0	0	16	-3	4	0	0	-7
Cat. H	6055	0	0	0	6055	1434	0	0	1434	4621	4612	19	395	386
II. Adjustments	12119	12	67	439	12636	5469	1	81	5551	7085	6144	-1	311	1253
(a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	0	0	0	0	0	0	0	0	0	0	109	0	0	-109
(c)	0	0	0	0	0	-2	0	0	-2	2	0	0	0	2
(e)	0	0	0	-1	-1	0	0	-6	-6	5	0	0	0	5
(f)	0	0	0	0	0	-7	0	0	-7	7	0	0	0	7
(g)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	0	0	0	0	0	-2	0	0	-2	2	0	0	0	2
(i)	0	0	67	0	67	-5	0	0	-5	72	0	0	0	72
(j)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	2	0	0	2	-2	0	0	0	-2
(l)	0	0	0	0	0	-23	0	0	-23	23	0	0	0	23
(m)	0	0	0	-9	-9	0	0	0	0	-9	0	0	0	-9
(P.2)	0	0	0	0	0	-29	0	0	-29	29	29	0	0	0
(r)	0	0	0	0	0	24	0	0	24	-24	0	0	0	-24
(t)	-12	12	0	0	0	0	0	0	0	0	0	0	0	0
(x1)	12283	0	0	449	12732	5477	1	87	5565	7167	6492	10	367	1032
(y)	416	0	0	0	416	5	0	0	5	411	13	0	0	398
(aa)	-92	0	0	0	-92	13	0	0	13	-106	0	-10	92	-4
(ab)	-494	0	0	0	-494	-186	0	0	-186	-308	-500	-1	-241	-47
(ac)	9	0	0	0	9	9	0	0	9	0	0	0	0	0
(ad)	8	0	0	0	8	46	0	0	46	-38	0	0	93	55
FISIM	0	0	0	0	0	146	0	0	146	-146	0	0	0	-146
III. Closing amount (I+II)	22294	0	67	515	22875	9244	-4	98	9338	13537	11588	46	725	2628
Sector S.14														
I. Opening amount	3222	0	0	0	3222	1091	0	0	1091	2131	89	0	0	2043
II. Adjustments	545	0	0	0	545	38	0	0	38	507	4	0	0	503
(b)	0	0	0	0	0	0	0	0	0	0	2	0	0	-2
(k)	0	0	0	0	0	4	0	0	4	-4	0	0	0	-4
(l)	0	0	0	0	0	-72	0	0	-72	72	0	0	0	72
(y)	545	0	0	0	545	30	0	0	30	515	2	0	0	513
FISIM	0	0	0	0	0	76	0	0	76	-76	0	0	0	-76
III. Closing amount (I+II)	3767	0	0	0	3767	1128	0	0	1128	2639	93	0	0	2546
Sector S.15														
Amount	194	0	3	897	1094	335	0	0	335	759	730	2	0	26

3.20.3. Activities for human health (SUT 85A1)

3.20.3.1. Hospital activities (NACE 85.11)

NACE 85.11 units comprise 219 general, acute or psychiatric hospitals certified by the Federal Ministry of Health. They mainly provide medical, surgical or technical services for hospitalised patients, but they are also involved in substantial secondary activities in the form of outpatient services (consultations, dialysis, emergencies), medical laboratories, teaching (nursing school), social work with accommodation (rest or care homes for the elderly, rehabilitation of the disabled) or social work without accommodation (day centres for persons in difficulty).

Services provided by hospital institutions are treated as market sales to final consumers (households as regards the amount payable by the patient, general government as regards the amount paid as social benefits in kind) and to intermediate consumers (other producers). Hospital institutions also include private commercial companies, non-profit associations (NPAs) or organisations under public law. They are therefore all classified to the market sector of non-financial corporations (S.11).

Their legal status means that most hospital institutions do not have to file annual accounts with the CBSO, but they are obliged to supply the Federal Health Ministry with statistical and accounting data each year in the form of a standardised schedule based on the structure used for annual accounts filed with the CBSO. In the same way as for large enterprises that file full annual accounts with the CBSO (cf. 3.3.1), the various components of the production and the generation of income accounts can therefore be calculated from the Federal Health Ministry's accounting data.

The information supplied to the Ministry involves three problems:

- (1) Secondary activities are not always covered by the accounting of every hospital. This is the case for rest and care homes operating within certain hospital structures. This makes the total wage bill of hospital establishments less than that declared to the NSSO and the NSSOPLA;
- (2) Apart from wages and salaries, the data supplied are not individual data but aggregated data for all public hospitals and all private hospitals;
- (3) As well as heading 740 (Operating subsidies), subsidies to employment and reimbursements on purchases are recorded as income.

To cover the whole output of hospitals and bring it into line with ESA 1995, the Federal Health Ministry administrative data are adjusted on the basis of the accounting data of general government and the estimated wages and salaries for NACE 85.11.

In more detail, the aggregates are calculated in four stages (see table below):

- Calculation of administrative aggregates according to the procedure used for full annual accounts registered by the CBSO (cf. 3.3.1);
- Transfer to P.2 of the purchasing cost recoveries recorded in C_743;
- Alignment with wages and salaries estimated from NSSO and NSSOPLA data and upgrading of other components of production accounts pro rata to the upgrading of wages and salaries (D.1/C_62=1.076). Activities not recorded in Federal Health Ministry data are therefore implicitly extrapolated on the basis of the structure of hospital activities. This adjustment is done separately for private care establishments (NSSO) and public ones (NSSOPLA), which explains slight differences in upgrading coefficients (D.1/C_62 = 1.076; P.1/C_A = 1.078), P.2/C_B = 1.078);
- Information available from the accounting of general government is used to transfer to D.39 the employment subsidies recorded in C_743.

Estimate of the production and the generation if income accounts of hospital activities (year 2003, millions of euros)

Annual accounts	Initial administrative	P.2 adjustment	D.1 adjustment	D.39 adjustment	Final administrative	ESA 1995
70	11,379.5	0.0	884.7	0.0	12,264.2	P.11/V1
71	0.0	0.0	0.0	0.0	0.0	P.11/P.52s
72	17.0	0.0	2.0	0.0	19.0	P.12
74-740	1,167.3	-437.6	64.8	-346.0	448.5	P.11/V2
A	12,563.8	-437.6	951.5	-346.0	12,731.7	Total P.1
600/8+61	5,520.1	-437.6	394.2	0.0	5,476.7	P.2/A1
609	-0.4	0.0	1.7	0.0	1.3	P.2/P.52u
641/8	81.3	0.0	5.4	0.0	86.7	P.2/A2
B	5,601.0	-437.6	401.3	0.0	5,564.7	Total P.2
62	6,034.8	0.0	456.9	0.0	6,491.7	D.1
640	9.1	0.0	1.1	0.0	10.2	D.29
740	19.1	0.0	1.6	346.0	366.7	D.39
C	6,962.8	0.0	550.2	-346.0	7,167.0	B.1g
D	938.0	0.0	93.8	0.0	1,031.8	B.2g
8279	698.3	0.0	56.3	0.0	754.6	C8279

3.20.3.2. Medical and dental practice and other human health activities (NACE 85.12, 85.13, 85.14)

Medical practice (NACE 84.12), dental practice (NACE 85.13) and other human health activities (NACE 85.14) are classified to the market sectors of non-financial corporations (S.11) and households (S.14). Like hospital services, outpatient medical and paramedical services are indeed treated as market sales to final consumers (households as regards the amount payable by the patient, general government as regards the amount paid as social benefits in kind) and to intermediate consumers (other producers).

S.11 units comprise medical, dental and paramedical practitioners organised in the form of commercial companies or non-profit institutions. Since they are not generally subject to VAT, their production and generation of income accounts are either calculated from the annual accounts they file or are extrapolated from wages and salaries and the NPA structure survey (cf. 3.3.1). In this latter case with regard to category H units, an adjustment is made for other production subsidies (D.39). Some other production subsidies specific to NPAs (Maribel social scheme, wage subsidies for adapted-work enterprises etc.) are indeed identified in the accounting of general government. They are therefore deducted from output and added in D.39.

S.14 units comprise medical, dental and paramedical practitioners operating as individuals. To the extent that they are not subject to VAT and/or do not file annual accounts, their production and generation of income accounts are calculated from the income and professional expenses declared by the respective professions to the personal income tax administration. The various headings used are set out below.

ESA 1995 aggregates	Personal income tax return headings
Output	Gross operating profit of industrial, commercial or agricultural enterprises (M600+M625) + Income from liberal professionals (M650+M675) + Arrears of fees from liberal professionals (M652+M677)
Intermediate consumption	Occupational expenses of industrial, commercial and agricultural enterprises (M606+M631) + Actual occupational expenses of liberal professionals (M657+M682) + 0.6 * Flat-rate occupational expenses of liberal professionals (M658+M683) - Depreciation (M954+M974) - Remuneration (M955+M975)

3.20.4. Veterinary activities (SUT 85B.1)

These activities are produced by the market sectors of non-financial corporations (S.11) and households (S.14).

For S.11 the methods developed centrally are used. In particular, the aggregates of non-profit institutions (category H) are estimated from wages and salaries and NPA structure survey data (cf. 3.3.1).

The production and the generation of income accounts of veterinarians operating as individuals (S.14) are calculated from the income and occupational expenses declared by the professions to the personal

income tax administration. The income and expenses reported to the VAT administration present abnormal evolutions. The personal income tax figures are therefore preferred (cf. 3.20.3).

3.20.5. Market social work (SUT 85C1)

Market social work services are produced by the sectors of non-financial corporations (S.11) and households (S.14).

The production and the generation of income accounts of S.11 units are calculated according to the centralised method (cf. 3.3). In particular, the aggregates of non-profit institutions (category (H)) are estimated from wages and salaries and from NPA structure survey data to NACE five-digit level of detail. More precisely, the revenue method is used for non-profit institutions of NACE 85.315 (rest homes), 85.321 (crèches), 85.322 (sheltered workshops) and 85.323 (other social work activities). The costs method is used in activities where operating subsidies are not fully identified in the survey, i.e. social work activities with accommodation (NACE 85.31) apart from rest home activities for the elderly (NACE 85.315).

In addition, certain specific adjustments are made as follows:

- (1) As regards category H units, an adjustment is applied for other production subsidies (D.39). Certain other production subsidies specific to NPAs (Maribel social scheme, wage subsidies for adapted-work enterprises etc.) are indeed identified in the accounting of general government. They are therefore deducted from output and added to D.39.
- (2) The main purpose of some sheltered workshops is not to take care of the disabled within the framework of social work activities but rather to enable them to produce market goods and services. The units concerned have to be certified by government and are referred to in the French Community as "*entreprises de travail adapté*" (= adapted-work enterprises) and in the Flemish Community as "*beschutte werkplaatsen*" (= sheltered workshops). The output of each of these units is therefore reclassified to the NACE corresponding to their main activity [cf. 3.3.1.2, adjustment (ab)].

The production and the generation of income accounts of S.14 units are calculated by specific methods.

- (1) The output (P.1) of NACE 85.31 corresponds to the output of rest homes (NACE 85.315) operating under the legal status of physical persons. It is estimated as follows on the basis of information supplied by the Ministry of Economic Affairs and the administrations of Belgium's various Communities and Regions:

Output = number of beds managed by physical persons
 x price per day
 x 365
 x occupancy rate (set at 80%)

Intermediate consumption (P.2) is estimated by taking the P.1/P.2 ratio of category B.3 in section S.11.

- (2) The output (P.1) of NACE 85.32 is accounted for by output of independent day nurseries (NACE 85.321). It is estimated as follows on the basis of information supplied by the French Community's *Office de la naissance et de l'enfance*, the Flemish Community's *Kind & Gezin* and the German-speaking Community's *Dienst für Kind und Familie*:

Output = number of days of child care
 x average price per day

3.20.6. Non-market social work (SUT 85C5)

All non-market social work falls within S.15. It is subject to a specific methodology combining wages and salaries, NPA structure survey results and other variables calculated within the national accounts (cf. 5.8).

3.21. COMMUNITY, SOCIAL AND PERSONAL SERVICES (O)

3.21.1. Introduction

In 2003, the value added of community, social and personal services (Section O) amounted to 5 620.6 million, i.e. 2.3% of the value added of all branches of activity combined. It was produced by four institutional sectors: the non-financial corporations sector (S.11: € 3 523.3 million), the general government sector (€ 690.8 million: S.13), the households sector (S.14: € 424.5 million) and the NPISHs sector (S.15: € 982 million).

Gross value added of section O, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)				
				S.11	S.13	S.14	S.15	Total
90A1	Sanitation, refuse collection and waste management, market	90.0	Sanitation, refuse collection and waste management	704.9	0	10.4	0	715.3
90A3	Sanitation, refuse collection and waste management, non-market	90.0	Sanitation, refuse collection and waste management	0	73.1	0	0	73.1
91A1	Various activities of membership organisations, market	91.11 91.12 91.3	Employers and business organisations Professional organisations Other membership organisations	523.8	0	2.5	0	526.3
91A5	Various activities of membership organisations, non-market	91.12 91.2 91.3	Employers' and business organisations Professional organisations Other membership organisations	0	0	0	885.5	885.5
92A1	Cinematographic and video activities, radio and television, market	92.1 92.2	Cinematographic and video activities Radio and television	578.6	0	17.8	0	596.4
92A3	Cinematographic and video activities, radio and television, non-market	92.1 92.2	Cinematographic and video activities Radio and television	0	351.4	0	0	351.4
92B.1	Other entertainment and pastime activities, market	92.3	Other entertainment and pastime activities	500.3	0	155.1	0	655.4
92B.5	Other entertainment and pastime activities, non-market	92.3	Other entertainment and pastime activities	0	0	0	0	0
92C1	Press agencies and other cultural activities, market	92.4 92.5	Press agencies Other cultural activities	69.1	0	8.0	0	77.1
92C5	Other cultural activities, non-market	92.5	Other cultural activities	0	0	0	51.3	51.3
92D.1	Activities connected with sports and other recreational activities, market	92.6 92.7	Sporting activities Other recreational activities	585.2	0	0	50.7	635.9
92D.5	Sporting activities, non-market	92.6	Sporting activities					45.2
93A1	Personal services	93.0	Personal services	561.4	0	446.3	0	1007.7
Total section O				3.523.3	424.5	690.8	982.0	5.620.6

3.21.2. Method of calculation

The aggregates of the production and the generation of income accounts for community, social and personal services are set out in the following table. For S.11 and S.14, the centralised method is used. In particular, non-profit institutions (category H) in NACE 91.1, 91.3, 92.2, 92.3, 92.5 and 92.6 are estimated from wages and salaries and NPA structure survey data (cf. 3.3.1). Specific adjustments described below are also carried out within SUT 92A1, 92B.1 and 92D.1.

Branches 90A3 and 92A3 correspond respectively to the cleansing and radio and television activities of general government (S.13). The aggregates of the production and the generation of income accounts are based on data in annual accounts and administrative data (cf. 3.21.3 and 3.21.5).

The branches of activity belonging to S.15, more specifically SUT 91A5, SUT 92C5 and SUT 92D.5, are subject to a specific methodology combining wages and salaries, NPA structure survey results and other variables calculated within the national accounts (cf. 5.8).

Section O - Community, social and personal services: Calculation of value added and gross operating surplus in accordance with ESA 1995 concepts (millions of euros, 2003)

SEC 1995	P.11/V 1	P.11/P .52s	P.12	P.11/V 2	Total P.1	P.2/A 1	P.2/P. 52u	P.2/A 2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74- 740		600/8 +61	609	641/8			62	640	740	
Sector S.11														
I. Opening amount	8540	-13	12	338	8877	5442	2	69	5512	3364	2068	218	127	1205
I.1. Standard method	8540	-13	12	338	8877	5442	2	69	5512	3364	2068	218	127	1205
Cat. A1	3682	2	12	247	3942	2477	0	38	2515	1427	769	163	59	553
Cat. A2	117	0	0	2	119	71	0	0	71	48	42	9	0	-3
Cat. B.1	731	-5	0	29	756	476	0	11	487	269	143	8	5	122
Cat. B.2	1463	-9	0	58	1512	954	1	18	974	539	255	14	7	277
Cat. B.3	1117	0	0	0	1117	741	0	0	741	376	252	10	55	169
Cat. C1	21	0	0	0	21	26	0	0	26	-5	3	0	0	-8
Cat. C2	35	0	0	0	35	45	0	1	46	-11	4	1	0	-15
Cat. H	1374	0	0	0	1374	653	0	0	653	721	601	12	2	110
II.	182	13	131	-21	305	149	0	-2	146	159	56	-44	110	258
Adjustments														
(a)	0	0	0	0	0	8	0	0	8	-8	0	-8	0	0
(b)	0	0	0	0	0	0	0	0	0	0	20	0	0	-20
(c)	-1	0	0	0	-1	-2	0	0	-2	1	0	0	0	1
(d)	-35	0	0	0	-35	-35	0	0	-35	0	0	0	0	0
(e)	0	0	0	-10	-10	0	0	-2	-2	-8	0	0	0	-8
(f)	0	0	0	-1	-1	-11	0	0	-11	10	0	0	0	10
(g)	0	0	-5	0	-5	3	0	0	3	-8	0	0	0	-8
(h)	0	0	0	0	0	-3	0	0	-3	3	0	0	0	3
(i)	0	0	32	0	32	-6	0	0	-6	39	0	0	0	39
(j)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	0	0	0	0	0	4	0	0	4	-4	0	0	0	-4
(l)	0	0	0	0	0	-21	0	0	-21	21	0	0	0	21
(m)	0	0	0	-10	-10	0	0	0	0	-10	0	0	0	-10
(n)	0	0	0	0	0	0	0	0	0	0	0	0	1	1
(P.2)	0	0	0	0	0	-12	0	0	-12	12	12	0	0	0
(q)	3	0	0	0	3	0	0	0	0	3	3	0	0	0
(r)	0	0	0	0	0	11	0	0	11	-11	0	0	0	-11
(s)	-3	0	0	0	-3	-3	0	0	-3	0	0	0	0	0
(t)	94	13	-107	0	0	0	0	0	0	0	0	0	0	0
(v)	-5	0	0	0	-5	-4	0	0	-4	-2	-1	0	0	-1
(w)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(x1)	0	0	106	0	106	0	0	0	0	106	0	0	0	106
(y)	261	0	0	0	261	110	0	0	110	151	18	0	0	133
(aa)	-22	0	0	0	-22	40	0	0	40	-62	0	-37	22	-3
(ab)	2	0	0	0	2	1	0	0	1	1	2	0	1	0
(ac)	3	0	0	0	3	3	0	0	3	0	0	0	0	0
(ad)	-116	0	106	0	-10	7	0	0	7	-18	0	0	86	69
FISM	0	0	0	0	0	59	0	0	59	-59	0	0	0	-59
III. Closing amount (I+II)	8723	0	142	317	9182	5590	2	67	5659	3523	2124	173	238	1464
Sector S.13														
Amount	223	0	6	548	777	355	-3	0	353	425	350	194	0	74
Sector S.14														
I. Opening amount	997	0	0	0	997	526	0	0	526	471	110	11	3	353
II.	184	0	76	0	260	40	0	0	40	219	7	0	0	212
Adjustments														
(b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	-11	0	0	0	-11	-11	0	0	-11	0	0	0	0	0
(k)	0	0	0	0	0	1	0	0	1	-1	0	0	0	-1
(l)	0	0	0	0	0	-14	0	0	-14	14	0	0	0	14
(q)	5	0	0	0	5	0	0	0	0	5	2	0	0	3
(r)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(t)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(u)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(v)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(w)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(x1)	0	0	76	0	76	0	0	0	0	76	0	0	0	76
(y)	189	0	0	0	189	39	0	0	39	150	5	0	0	146
(aa)	0	0	0	0	0	0	0	0	0	0	0	0	1	1
(ad)	0	0	0	0	0	0	0	0	0	0	0	0	-1	-1
FISM	0	0	0	0	25	0	0	0	25	-25	0	0	0	-25
III. Closing amount (I+II)	1181	0	76	0	1257	566	0	0	566	691	117	11	3	566
Sector S.15														
Amount	322	0	8	1369	1699	717	0	0	717	982	926	7	0	49

3.21.3. Sanitation, refuse collections and waste management, non-market (90A3)

The output of cleansing services of general government is the sum of their costs. Their intermediate consumption (P.2), wages and salaries (D.1) and net taxes on production (D.29-D.39) are known via Aquafin's annual accounts. Fixed capital consumption (K.1) is calculated by the perpetual inventory method (cf. 4.12.2).

AQUAFIN compensation of employees (D.1) and intermediate consumption (P.2)

<i>Year 2003 (millions of euros)</i>	D.1	P.2
<i>Aquafin (SUT 90A3) – Communities and Regions (S.1312)</i>	34.4	73.5

3.21.4. Cinematographic and video activities, radio and television, market (SUT 92A1)

The aggregates of this branch are calculated centrally (cf. 3.3), but a correction is applied as regards copyright and self-production of originals.

- Copyright management societies for cinematographic and audiovisual works are classified to NACE 92.2. They are remunerated for collecting and/or redistributing their members' royalties. The only output of the societies is the remuneration they thus earn. Accordingly, a downward adjustment of output is made in cases where all of the royalties received are recorded in turnover. The amounts of royalties passed on are supplied by the department of the Federal Economy Ministry that supervises copyright management societies.
- Output of self-produced original works (P.12) is estimated on the basis of creation costs plus an operating surplus (cf. 5.11.2).

3.21.5. Cinematographic and video activities, radio and television, non-market (SUT 92A3)

The output of radio and television entities in the general government sector is the sum of their costs. Intermediate consumption (P.2), wages and salaries (D.1) and net taxes on production (D.29-D.39) are known via the annual accounts of VRT, RTBF and BRF. Fixed capital consumption (K.1) is calculated by the perpetual inventory method (cf. 4.12.2). Output of original audiovisual works (P.12) is estimated from administrative data supplied by the French Community's "General Audiovisual and Multimedia" Department and the Flemish Community's "Audiovisueel Fonds in Vlaanderen".

Compensation of employees (D.1) and intermediate consumption (P.2) of public-sector radio and television enterprises

<i>2003 data (millions of euros)</i>	D.1	P.2
RTBF, VRT and BRF (SUT 92A3) of Communities and Regions (S.1312)	315.9	279.1

3.21.6. Other entertainment and pastime activities , market (SUT 92B.1)

The aggregates of this branch are calculated centrally (cf. 3.3), but a correction is applied as regards copyright and self-production of originals.

- Most of copyright management societies (apart from those covering cinematographic and audiovisual works) are classified to NACE 92.3. They are remunerated for collecting and/or redistributing their members' royalties. The only output of the societies is the remuneration they thus earn. Accordingly, a downward adjustment of output is made in cases where all of the royalties received are recorded in the turnover. The amounts of royalties passed on are supplied by the department of the Federal Economy Ministry that supervises copyright management societies.
- Output of self-produced original works (P.12) is estimated on the basis of creation costs for writers and on royalties paid to Belgian recipients in respect of other artistic activities (drama and music: cf. 5.11.2).

3.21.7. Activities relating to sport and other recreational activities, market (SUT 92D.1)

The aggregates of this branch are calculated centrally (cf. 3.3), but corrections are applied to cater for the specific features of games of chance.

- "Amounts spent on buying lottery tickets or on betting comprise two elements: remuneration of the service provided by the unit that organises the lottery or betting, and a residual current transfer to winners" (ESA 1995 § 4.135). The amounts paid out to winners have therefore to be deducted from output in cases where they are recorded in the turnover of gaming and betting organisations. This applies to the National Lottery and to tiercé enterprises, for which an adjustment is made on the basis of detailed data from the annual accounts. This adjustment does not apply to casinos and automatic gaming establishments. Winnings paid by the National Lottery in 2003 amounted to € 511.8 million.
- National Lottery profits are recorded in the turnover and other operating charges (641/8) of the annual accounts. The profits of tax monopolies are treated as at tax on product (D.214J) in the accounting of general government (cf. 3.24). Alignment with ESA 1995 requires the deduction of

the National Lottery's redistributed profits from output and intermediate consumption (€245.6 million in 2003).

- The monopoly rent paid by the National Lottery is recorded in the annual accounts under other operating charges. Monopoly rents are treated as another tax on production (D.29H) in the accounting of general government (cf. 4.8). Alignment with ESA 1995 requires the transfer of monopoly rent from intermediate consumption to other taxes on production (€73.5 million in 2003).

3.22. DOMESTIC SERVICES (P)

3.22.1. Introduction

In 2003, the value added of domestic services (Section P) amounted to 909 million euros, i.e. 0.4% of the value added of all branches of activity combined. It was produced entirely by the households sector (S.14).

Gross value added of section P, by branch of activity and institutional sector (2003)

SUT Code	Branch of activity	NACE code	NACE category	Value added (millions of euros)	
				S 14	Total
95A4	Domestic services	95.0	Domestic services	909	909
Total, section P				909	909

3.22.2. Method of calculation

The aggregates of the production and the generation of income accounts for domestic services are set out in the following table. Their evaluation is based on the final consumption by households of "domestic services" (cf. 5.7.2.5). The intermediate consumption of the branch is deemed to be zero. Value added therefore matches output.

Section P - Domestic services: Calculation of gross value added and gross operating surplus in accordance with ESA 1995 concepts (millions of euros, 2003)

SEC 1995	P.11/V1	P.11/P.52s	P.12	P.11/V2	Total P.1	P.2/A1	P.2/P.52u	P.2/A2	Total P.2	B.1g	D.1	D.29	D.39	B.2g
Annual accounts	70	71	72	74-740	600/8+61	609	641/8			62	640	740		
Sector S.14														
Amount	0	0	909	0	909	0	0	0	0	909	909	0	0	0

3.23. EXTRATERRITORIAL ORGANISATIONS AND BODIES (Q)

Extraterritorial organisations and bodies in their capacity as producers are not part of the total economy (S.1). As can be seen from the calculation of value added, the value added created within these units is not included in GDP.

3.24. TAXES ON PRODUCTS (D.21)

Sections 3.24.1 to 3.24.3 cover both taxes on products (D.21) and other taxes on production (D.29).

3.24.1. Description of basic data

3.24.1.1. Source data on general government

In the Benelux economic regrouping (cf. 3.1.4.4.1), indirect taxes appear under economic code 36 (Indirect taxes and levies).

Indirect taxes and levies are compulsory payments imposed by general government on production units, and affect the output and/or importing of goods and services or the use of production factors; these taxes, which are part of ex-factory prices and ex-customs prices, are payable irrespective of operating profits.

Code 36 is broken down as follows:

- 36.0 Not broken down
- 36.1 Import taxes
- 36.2 Excise duties and other taxes on consumption
- 36.3 Value-added tax, stamp duties and levies treated as stamp duties
- 36.4 Registration fees
- 36.5 Profits of government fiscal monopolies or public-sector enterprises of a monopolistic nature
- 36.6 Road tax
- 36.7 Pollution taxes
- 36.8 Levies and taxes on property, except tax on income from immovable property assets
- 36.9 Various taxes, including gaming levies, export levies, charges on expert reports and levies on entertainments.

Fiscal penalties are classified under various current transfers (code 38) and interest on arrears is classified under interest on claims (code 26), unless they cannot be separated from the corresponding tax.

3.24.1.2. Source data on Community taxes

Taxes on production and imports received by EU institutions (income deriving under the CAP, customs duties and VAT) do not appear in the economic regrouping of the central government, but the data are available from the Federal Ministry of Finance.

3.24.2. From public accounting to national accounting

3.24.2.1. Allocation of revenue to recipient subsectors of general government

Tax receipts by subsectors are calculated per final recipient, not per collecting body. When a public administration (e.g. part of central government) collects taxes that include a proportion transferable automatically to another general government (e.g. part of local government), that portion is recorded as taxes collected directly by the latter.

Under this rule, charges additional to the tax on income from immovable assets⁷⁹ and to the register of physical persons collected by central government to the benefit of provinces, communes and the Brussels agglomeration are recorded directly as income of local authorities. Similarly, regional taxes under the Finance Act of 16 January 1989 are recorded as taxes collected directly by the regions. This principle also applies to taxes paid to EU institutions.

Apart from additional charges and regional taxes collected by central government on behalf of other subsectors of general government, there are also transfers of fiscal revenue which correspond to redistribution by central government of the product of some fiscal income. These include the shared taxes that fund the Communities and the joint taxes that fund the Regions, likewise under the Finance Act of 16 January 1989. Taxes allocated to social security administrations within the framework of alternative funding are also involved. These payments are not attributed directly to the subsector of Communities and Regions or social security administrations, but are recorded as "transfers of fiscal revenue", which form part of current transfers within general government. These shared taxes, joint taxes and allocated taxes represent a central government claim on the taxpayers concerned, while the portion paid to other entities constitutes a claim by the latter on central government.

Current transfers within general government also include "other current transfers within general government", which are funded from the general resources of the donor unit and correspond to no specific category of taxes but are often apportioned by distribution keys based *inter alia* on number of inhabitants.

3.24.2.2. Main adjustments (other than those for transition from cash basis to "transaction" registration basis)

- Road tax and tax treated as excise duty (code 36.6) are divided into the portion paid by production units, which is regarded as another tax on production (D.29), and the portion paid by households as final consumers, which is regarded as another current tax (D.59). The annual tax on profit sharing (code 36.3) is included under income taxes (D.51).
- Duties on donations included among registration fees (code 36.4) are not regarded as taxes on products (D.21) like other registration fees, but as a tax on capital (D.91). Similarly, tax on long-term savings (code 36.3) is treated as a tax on capital (D.91).
- The special levy payable by electricity producers collected via advance corporation tax (code 37.1) has to be reclassified to other taxes on production (D.29).
- Tax on income from immovable assets (codes 37.1 and 37.2) is not regarded as income tax (D.51) but as another tax on production (D.29).

3.24.2.3. Distinction between fiscal and non-fiscal revenue

The national accounts classify taxes according to economic considerations. Accordingly, revenue usually qualified as taxes is frequently classified in the national accounts as non-fiscal revenue.

Within the framework of the survey of local government accounts, a more detailed analysis of taxes and charges collected under economic code 36 was carried out, and some items of fiscal revenue were reclassified to sales, property income or direct taxes.

The following taxes were included in non-market sales of goods and services:

- taxes on administrative services: revenue on the issue of various administrative documents such as identity cards, passports, marriage certificates, etc. This heading includes charges connected with one-off services, such as the storage charge for vehicles seized by the police;

79 As from the 1999 tax year, the Flemish Community has levied directly the tax on income from immovable assets and the related additional charge.

- refund or "recovery" taxes levied by communes to recover from "benefiting" taxpayers all or some of authorised expenditure in order to improve the roadway system (pavements, sewers, etc.).

Taxes for public hygiene services (refuse collection, income from sale of bin liners, services relating to cemeteries) are regarded as market sales of goods and services.

Taxes and fees for occupation of public areas (beaches, market places, café terraces, etc.) are included among ground rents.

Property taxes (second residences, balconies and carriage entrance, holiday cottages, private swimming pools) and various other charges (on tennis courts, hunting permits and firearms licences) are included among other current charges. These charges are grouped under the heading "Other charges (D.59)".

All other minor charges are grouped under the heading "Other taxes on production (D.29)". No residual item is used with regard to taxes on products.

3.24.2.4. Distinction between taxes on products (D.21) and other taxes on production (D.29)

As has already been seen, this distinction is not made in the economic regrouping as such, but at the level of detailed fiscal revenue data, where each tax is allotted an ESA 1995 code (D.21, D.29, D.51, D.59 or D.91).

In practice, total taxes on production and imports (D.2) are calculated first, and all taxes which are regarded explicitly as taxes on products (D.21) are then deducted.

The correspondence between taxes on products (D.21) [or other taxes on production (D.29)] and the products to which they relate [or the branches of activity which pay them] is determined within the framework of the SUT.

3.24.3. Calculation of taxes on production and imports (D.2)

<i>Data for 2003 (millions of euros)</i>	
Taxes on production and imports (D.2) by central government (S.1311)	
Code 36	26 565.7
Monthly slippage of VAT	+ 17.7
Monthly slippage of TOB	+ 3.0
Monthly slippage of tobacco excise duties	+ -18.4
UK VAT adjustment	+ 267.1
Code 36 regarded as D.5 (tax treated as excise duty paid by households as consumers and annual tax on profit sharing)	- 182.3
Code 36 regarded as D.91 (tax on long-term savings)	- 98.4
VAT over-compensation	+ 8.9
Interests on arrears and penalties on indirect taxes	- 99.1
Excise duty payment time limit reductions	- 88.0
Adjustment for excise duties received from Luxembourg	- -67.9
Other adjustments	+ -29.1
<i>Subtotal</i>	= 26 415.0
Taxes on production and imports (D.2) by Communities and Regions (S.1312)	
Code 36	4 297.9
Code 37 regarded as D.2 (tax on income from immovable assets)	+ 168.2
Monthly slippage of tax on income from immovable assets	+ -3.8
Monthly slippage of road tax included in D.29	+ 4.2
Code 36 regarded as D.5 (road tax paid by households as consumers)	- 761.6
Code 36 regarded as D.91 (taxes on donations)	- 62.7
Other adjustments	+ 4.0
<i>Subtotal</i>	= 3 646.2
Taxes on production and imports (D.2) by local government (S.1313)	
Code 36 (Communes)	1 026.1
Code 36 (Communes) regarded as sales	- 403.0
Code 36 (Communes) regarded as D.5	- 178.6
Code 36 (Communes) regarded as D.45	- 84.2
Code 37 regarded as D.29 (additional percentages to tax on income from immovable property and additional 10% on road tax)	+ 3 597.7
Monthly slippage of tax on income from immovable assets	+ -104.0
Exceptional slippage of tax on income from immovable assets	- 60.0
Other adjustments	+ 48.3

<i>Subtotal</i>	=	3 842.3
Taxes on production and imports (D.2) by social security administrations (S.1314)		
Supplement to industrial accident insurance premiums		50.5
Supplement to motor insurance premiums	+	502.0
Supplement to fire insurance premiums	+	123.3
Supplement to hospitalisation insurance premiums	+	54.8
Levy on pharmaceutical industry turnover	+	149.7
Levy on certain pharmaceutical products	+	2.9
Single levy on companies	+	101.0
Clinical biology and medication refund	+	5.6
<i>Subtotal</i>	=	989.8
Taxes on production and imports (D.2) by EU institutions (S.212)		
VAT transferred on cash basis		822.8
UK VAT adjustment	-	267.1
Customs duties (100%)	+	1 514.4
"Rotterdam effect" adjustment	-	267.7
Agricultural levies (100%)	+	28.5
Sugar levy (100%)	+	30.0
<i>Subtotal</i>	=	1 860.9

3.24.4. Calculation of taxes on products (D.21)

The following table sets out the various taxes on production and imports (D.2) by beneficiary subsectors. As already mentioned, all major taxes are given a D.21 or D.29 code and the rest, mainly comprising various minor taxes collected by communes, are recorded under the residual heading "Other taxes on production (D.29)".

		Central government (S.1311)	Communities and Regions (S.1312)	Local authorities (S.1313)	Social security admins. (S.1314)	EU institutions (S.212)	TOTAL (S.13 + S.212)
Data for 2003 (millions of euros)							
D.2	Taxes on production and imports	26415.0	3646.2	3842.3	989.8	1860.9	36754.2
D.21	Taxes on products	26088.3	2613.1	0.0	883.2	1860.9	31445.5
D.211	Tax of VAT type	18174.7	0.0	0.0	0.0	555.7	18730.4
	VAT on products	18174.7	0.0	0.0	0.0	555.7	18730.4
D.212	Import taxes and duties, other than VAT	723.8	0.0	0.0	0.0	1275.2	1999.0
D.2121	Import duties	0.0	0.0	0.0	0.0	1246.7	1246.7
	Entry duties (including ECSC levies)	0.0	0.0	0.0	0.0	1246.7	1246.7
D.2122	Import taxes and duties other than VAT and import duties	723.8	0.0	0.0	0.0	28.5	752.3
D.2122 A	Agricultural levies	0.0	0.0	0.0	0.0	28.5	28.5
	Agricultural levies	0.0	0.0	0.0	0.0	28.5	28.5
D.2122 B	Compensatory amounts levied on imports	0.0	0.0	0.0	0.0	0.0	0.0
	Compensatory amounts levied on imports	0.0	0.0	0.0	0.0	0.0	0.0
D.2122 C	Excise duties	723.8	0.0	0.0	0.0	0.0	723.8
	Excise duties on mineral oils	60.0	0.0	0.0	0.0	0.0	60.0
	Excise duties on petroleum gases and other liquefied hydrocarbons and on benzoles	0.0	0.0	0.0	0.0	0.0	0.0
	Excise duties on tobacco	253.1	0.0	0.0	0.0	0.0	253.1
	Excise duties on spirits	169.7	0.0	0.0	0.0	0.0	169.7
	Consumption tax on alcohol and spirits	0.0	0.0	0.0	0.0	0.0	0.0
	Excise duties on sparkling fermented beverages	28.1	0.0	0.0	0.0	0.0	28.1
	Excise duties on fermented fruit drinks	113.4	0.0	0.0	0.0	0.0	113.4
	Excise duties on beer	10.0	0.0	0.0	0.0	0.0	10.0
	Excise duties on drinking water and soft drinks	76.3	0.0	0.0	0.0	0.0	76.3
	Excise duties on sugars and refining syrups	0.0	0.0	0.0	0.0	0.0	0.0
	Excise duties on coffee	13.2	0.0	0.0	0.0	0.0	13.2
	Excise duties on intermediate products	0.0	0.0	0.0	0.0	0.0	0.0
	Domestic fuel oil inspection fee	0.0	0.0	0.0	0.0	0.0	0.0
	Packaging levy	0.0	0.0	0.0	0.0	0.0	0.0
	Eco-taxes	0.0	0.0	0.0	0.0	0.0	0.0

D.2122	General taxes on sales or turnover					
D	Taxes treated as stamp duties	0.0	0.0	0.0	0.0	0.0
E	Taxes on particular services	0.0	0.0	0.0	0.0	0.0
F	Profits of import monopolies	0.0	0.0	0.0	0.0	0.0
D.214	Taxes on products, other than VAT and taxes on imports	7189.8	2613.1	0.0	883.2	30.0
D.214 A	Excise duties and consumption taxes	5539.8	234.6	0.0	0.0	30.0
	Excise duties on mineral oils	3458.8	0.0	0.0	0.0	0.0
	Excise duties on petroleum gases and other liquefied hydrocarbons and on benzoles	0.0	0.0	0.0	0.0	0.0
	Excise duties on tobacco	1328.8	0.0	0.0	0.0	0.0
	Excise duties on spirits	44.6	0.0	0.0	0.0	0.0
	Consumption tax on alcoholic beverages and spirits	0.0	0.0	0.0	0.0	0.0
	Excise duties on sparkling fermented beverages	0.0	0.0	0.0	0.0	0.0
	Excise duties on fermented fruit drinks	0.1	0.0	0.0	0.0	0.1
	Excise duties on beer	191.9	0.0	0.0	0.0	0.0
	Excise duties on drinking water and soft drinks	93.5	0.0	0.0	0.0	0.0
	Excise duties on sugars and refining syrups	0.0	0.0	0.0	0.0	0.0
	Excise duties on coffee	0.0	0.0	0.0	0.0	0.0
	Excise duties on intermediate products	31.1	0.0	0.0	0.0	0.0
	Domestic fuel oil inspection fee	30.1	0.0	0.0	0.0	0.0
	Energy levy	264.1	0.0	0.0	0.0	0.0
	Federal levy on electricity and natural gas	77.5	0.0	0.0	0.0	0.0
	Water charges (FR, WR and BCR)	0.0	234.6	0.0	0.0	0.0
	Sugar levy	0.0	0.0	0.0	0.0	0.0
	Co-responsibility levy on milk	0.0	0.0	0.0	0.0	0.0
	Co-responsibility levy on cereals	0.0	0.0	0.0	0.0	0.0
	Co-responsibility levy on sheep meat	0.0	0.0	0.0	0.0	0.0
	Penalties for exceeding dairy quota	0.0	0.0	0.0	0.0	0.0
	Compulsory levies on producers of animals and livestock products (SANITEL)	18.5	0.0	0.0	0.0	0.0
	ECSC levy	0.0	0.0	0.0	0.0	0.0
	Packaging levy	0.0	0.0	0.0	0.0	0.0
	Eco-taxes	0.8	0.0	0.0	0.0	0.0
D.214 B	Stamp duties	159.0	0.0	0.0	0.0	0.0
	Stamp duties	159.0	0.0	0.0	0.0	0.0
D.214 C	Taxes on movable and immovable property transactions	456.5	2088.0	0.0	0.0	0.0
	Registration fees	118.0	2088.0	0.0	0.0	0.0
	Mortgage fees	58.3	0.0	0.0	0.0	0.0
	Court fees	34.6	0.0	0.0	0.0	0.0
	Tax on stock exchange transactions and transfers	199.2	0.0	0.0	0.0	0.0
	Fee for delivery of share certificates to holders	46.4	0.0	0.0	0.0	0.0
D.214 D	Vehicle registration tax	0.0	247.5	0.0	0.0	0.0
	Vehicle registration tax	0.0	0.0	0.0	0.0	0.0
	Tax on vehicle entry into service	0.0	247.5	0.0	0.0	0.0
D.214 E	Taxes on entertainment	0.0	0.0	0.0	0.0	0.0
D.214 F	Taxes on lotteries, gaming and betting	0.0	43.0	0.0	0.0	0.0
	Tax on gaming and betting	0.0	43.0	0.0	0.0	0.0

D.214 G	Taxes on insurance premiums	786.6	0.0	0.0	730.6	0.0	1517.2
	Taxes on insurance contracts	779.2	0.0	0.0	0.0	0.0	779.2
	Supplement to industrial accident insurance premiums	0.0	0.0	0.0	50.5	0.0	50.5
	Supplement to motor insurance premiums	0.0	0.0	0.0	502.0	0.0	502.0
	Supplement to fire insurance premiums	0.0	0.0	0.0	123.3	0.0	123.3
	Supplement to hospitalisation insurance premiums	0.0	0.0	0.0	54.8	0.0	54.8
	The Belgian Red Cross revenue	7.4	0.0	0.0	0.0	0.0	7.4
D.214 H	Other taxes on particular services	0.0	0.0	0.0	0.0	0.0	0.0
D.214 I	General taxes on sales or turnover	0.0	0.0	0.0	0.0	0.0	0.0
	Taxes treated as stamp duties	0.0	0.0	0.0	0.0	0.0	0.0
D.214 J	Profits of fiscal monopolies	245.6	0.0	0.0	0.0	0.0	245.6
	Profits of the national lottery	245.6	0.0	0.0	0.0	0.0	245.6
D.214 K	Compensatory amounts levied on exports	0.0	0.0	0.0	0.0	0.0	0.0
	Compensatory amounts levied on exports	0.0	0.0	0.0	0.0	0.0	0.0
D.214 L	Other taxes on products n.e.c.	2.3	0.0	0.0	152.6	0.0	154.9
	Tax on billposting	2.3	0.0	0.0	0.0	0.0	2.3
	Levy on pharmaceutical industry turnover	0.0	0.0	0.0	149.7	0.0	149.7
	Levy on certain pharmaceutical products	0.0	0.0	0.0	2.9	0.0	2.9
D.29	Other taxes on production	326.7	1033.1	3842.3	106.6	0.0	5308.7
D.29 A	Taxes on land, buildings and other constructions	5.5	236.7	3395.8	0.0	0.0	3638.0
	Tax on income from immovable property (individuals)	0.0	109.2	2264.2	0.0	0.0	2373.4
	Tax on income from immovable property (enterprises)	0.0	55.2	1131.6	0.0	0.0	1186.8
	Opening fee	0.0	3.6	0.0	0.0	0.0	3.6
	Business licence fee	5.5	0.0	0.0	0.0	0.0	5.5
	Regional tax (BCR) (from 2002, only regional tax on property owners)	0.0	68.7	0.0	0.0	0.0	68.7
D.29 B	Taxes on the use of fixed assets	87.6	505.6	37.9	0.0	0.0	631.1
	Road tax paid by enterprises	0.0	379.3	37.9	0.0	0.0	417.2
	Tax on gaming machines	0.0	44.8	0.0	0.0	0.0	44.8
	Eurovignette	0.0	81.5	0.0	0.0	0.0	81.5
	Tax treated as excise duty paid by enterprises	87.6	0.0	0.0	0.0	0.0	87.6
D.29 C	Taxes on payroll or workforce	22.0	0.0	0.0	0.0	0.0	22.0
	Tax on coordination centres	22.0	0.0	0.0	0.0	0.0	22.0
D.29 D	Taxes on international transactions	0.0	0.0	0.0	0.0	0.0	0.0
D.29 E	Taxes on commercial or professional authorisations	0.0	0.0	0.0	0.0	0.0	0.0
D.29 F	Pollution taxes	0.0	228.3	0.0	0.0	0.0	228.3
	Industrial waste taxes (FR and WR)	0.0	74.8	0.0	0.0	0.0	74.8
	Slurry tax (FR)	0.0	4.0	0.0	0.0	0.0	4.0
	Water charges (FR, WR and BCR)	0.0	149.5	0.0	0.0	0.0	149.5
D.29 G	VAT under-compensation	0.0	0.0	0.0	0.0	0.0	0.0
	VAT under-compensation	0.0	0.0	0.0	0.0	0.0	0.0

D.29 H	Other taxes on production n.e.c.	211.6	62.5	408.6	106.6	0.0	789.3
	Annual patent fee	7.1	0.0	0.0	0.0	0.0	7.1
	Monopoly rent (Belgacom)	0.0	0.0	0.0	0.0	0.0	0.0
	Monopoly rent (National Lottery)	73.5	0.0	0.0	0.0	0.0	73.5
	Single levy on enterprises	0.0	0.0	0.0	101.0	0.0	101.0
	Clinical biology refund	0.0	0.0	0.0	5.6	0.0	5.6
	Radio/TV licence fees (CF, CF and CG)						
	- in part	0.0	0.0	0.0	0.0	0.0	0.0
	Special levy on electricity producers	0.0	0.0	0.0	0.0	0.0	0.0
	Single levy on petroleum sector	21.0	0.0	0.0	0.0	0.0	21.0
	Other taxes on production	110.0	62.5	408.6	0.0	0.0	581.1

3.25. VALUE ADDED TAX (VAT)

3.25.1. Calculation of VAT (D.211)

3.25.1.1. Calculation of VAT on cash data basis

The central government budget does not list VAT separately but has a combined entry for all VAT revenue, stamp duties and levies treated as stamp duties. The Federal Ministry of Finance provides the details necessary for compiling the national accounts.

<i>Data for 2003 (millions of euros)</i>	
VAT received cash by Federal Ministry of Finance	18 753.9
of which VAT received cash by central government (*)	17 931.1
VAT transferred to EU institutions on cash basis (*)	+ 822,8
Monthly slippage of VAT	+ 17.7
VAT over-compensation	+ 8,9
Adjustment	+ -50.1
<i>Subtotal</i>	18 730.4

(*) Data not adjusted for UK compensation

3.25.1.2. VAT over-compensation

3.25.1.2.1. Flat-rate VAT scheme and ESA 1995 classification

Belgium operates two VAT schemes for agriculture: the standard scheme and the flat-rate scheme.

Under the standard scheme, each farmer collects VAT on his output and can deduct the amount of tax paid by him on purchases of intermediate products or capital goods from the amount that he has to pay to the Finance Administration.

Under the flat-rate scheme, farmers sell their products at a price which includes the standard VAT rate, but do not pass the VAT on to the Finance Administration because the VAT that they invoice and retain is calculated to offset as exactly as possible the VAT paid by them on purchases or deductible from their investments.

There is over-compensation if the amount of VAT collected by farmers under the flat-rate scheme is higher than the amount of VAT paid by them on their purchases (for intermediate consumption and investments). There is under-compensation in the opposite case.

ESA 1995 requires VAT under-compensation resulting from the flat-rate scheme to be classified to other taxes on production (D.29), and VAT over-compensation to be included under Other subsidies on production (D.39).

VAT compensation under the flat-rate scheme is calculated by the official responsible for agricultural accounts. The principle is to determine whether the actual amount of VAT collected (and retained) by "flat-rate" farmers covers the amount of VAT that they should have recovered on their purchases and investments.

The first step is to calculate the value of agricultural sector output subject to VAT. VAT declaration statistics can then be used to determine the value of the output of farmers covered by the standard VAT scheme. The output of farmers subject to the flat-rate scheme is the difference between total output and the output of farmers subject to the standard scheme.

The standard VAT rate is applied to output under the flat-rate scheme. This makes it possible to estimate the amount of VAT that farmers covered by the flat-rate scheme should pay to the state.

The overall amount of VAT paid on purchases by all farmers is first calculated according to the various elements of intermediate consumption and their tax rate, as well as the amount of deductible VAT on investments. VAT declaration statistics then make it possible to calculate (for farmers covered by the standard scheme) the amount of VAT on deductible purchases and investments and the amount actually paid to the state. The amount of VAT which farmers subject to the flat-rate scheme should recover from the state on their deductible purchases and investments is therefore the difference between the two amounts.

If, under the flat-rate scheme, the amount of VAT on output is higher than the amount of VAT on deductible purchases and investments, there is over-compensation, since the flat-rate farmers will have, overall, collected more than they would have under the standard scheme. In the opposite case, there is under-compensation, since the amount of VAT collected on production is not sufficient to cover what farmers should have recovered from the state under the standard scheme.

3.25.1.2.2. Implications for the general government accounts

If there is under-compensation, farmers lose part of their profit. It corresponds to the excess VAT which was collected by the state and which is therefore no longer regarded as VAT (D.211) but as another tax on production (D.29). This results in slippage between D.211 and D.29 in the state budget.

If there is over-compensation, farmers have recovered too much VAT. Over-compensation therefore results in an increase in other subsidies to production paid by the state to farmers (D.39). It is as if final consumers had paid VAT directly to the state and the state had passed part of it on to farmers by way of subsidy. A parallel increase in VAT collected (D.211) is thus required in order to balance the state budget.

3.25.2. Rates of non-deductible VAT in the SUT

3.25.2.1. Introduction

Non-deductible VAT is estimated by means of two matrices, one for VAT rates and the other for non-deductible VAT, which are multiplied together to determine the rate of non-deductible VAT per cell in the use table.

When a rule concerning a branch (column) of the matrix conflicts with a rule on a product (row), the branch rule takes precedence.

When a rule concerning a branch (column) of the matrix conflicts with a rule on a product (row), the rule of the branch takes precedence.

3.25.2.2. The matrix of VAT rates

VAT rates are determined by the Belgian VAT Code as implemented by Royal Decree No 20 of 20 July 1970 setting the Value Added Tax tariffs as of 1 January 1993, as amended on 1 January 1996.

3.25.2.3. The non-deductibility matrix

3.25.2.3.1. Specific regimes (branches of activity)

Branches with a special regime and its justification

SUT branch	Brief description	Non-deductibility rate	Justification
		(2003)	
01A1	Agriculture	2.2 %	Activities not covered by special regime
60B.3	Regular passenger transport, non-market	100 %	VAT Code exemption
63A1	Other ancillary transport services	84 %	VAT Code exemption
63B.3	Other ancillary transport services, non-market	100 %	VAT Code exemption
64A1	Postal activities	59.39 %	Activities other than those related to stamps
65A2	Financial intermediation	71.94 %	VAT Code Article 44 exemption
66A2	Insurance	99.15 %	VAT Code exemption
70A1	Property activities	53.47 %	VAT Code Article 44 exemption
74A1	Legal profession	12.05 %	VAT Code Article 44 exemption
75A3	Public administration	100 %	VAT Code exemption
75B.3	Defence	100 %	VAT Code exemption
75C3	Social security	100 %	VAT Code exemption
80A3/A5	Public education/non-market	100 %	Article 44 exemption
85A1	Health	100 %	VAT Code exemption
85C1	Social work activities, market	100 %	VAT Code exemption
85C5	Social work activities, non-market	100 %	VAT Code exemption
90A3	Sanitation, refuse collection and waste management, non-market	100 %	VAT Code exemption
91A5	Various activities of membership organisations non-market	100 %	VAT Code exemption
92A3	Cinematographic and video, radio and TV activities, non-market	17.59 %	VAT Code exemption
92B.5	Non-market entertainment	100 %	VAT Code exemption
92C5	Other cultural activities, non-market	100 %	VAT Code exemption
92D.5	Sporting activities, non-market	100 %	VAT Code exemption

3.25.2.3.2. Specific rules (SUT products)

3.25.2.3.2.1. Automotive fuel expenditure

Whoever the taxable person, his expenditure on automotive fuel (petrol or diesel: SUT products 23A02 and 23A04), purchases of new or second-hand vehicles (SUT products 34A02 and 34A03) and maintenance and repairs (SUT product 50A01) are deductible only up to 50%, except for taxi operators and regular carriers of passengers (SUT product 60B01), road hauliers (CPA code 60.24: SUT products 60C01 and 60C02) and inland waterway transport operators (SUT product 61B02).

3.25.2.3.2.2. Hotel and restaurant expenses

Belgian VAT legislation does not allow deduction of VAT paid on the use of hotels (SUT product 55A01), catering services (SUT product 55B01) and public houses (SUT product 55B02).

3.25.3. Treatment of VAT fraud

The theoretical VAT is the VAT that would be received by the general government⁸⁰ if all VAT-registered units had paid this tax in accordance with the current legislation. In practice there is a difference between the theoretical VAT and the VAT actually collected, and part of that difference is down to VAT fraud.

The relation between theoretical VAT, VAT actually received by the general government, and VAT fraud is as follows⁸¹:

Theoretical VAT =	actual VAT received (cash basis)
	+ transitional items
	+ missing receipts due to bankruptcies
	+ missing receipts due to VAT fraud with complicity
	+ VAT fraud without complicity

The theoretical VAT is obtained by applying the legal VAT rate to each transaction included in the base. In terms of the supply and use table, this means that the theoretical VAT is calculated by applying, after integration of the table (cf. 6.1), the statutory VAT rate to each cell of the use table in purchasers' price excluding VAT.

⁸⁰ Including the part received for account of the institutions of the European Union (S.212).

The calculation of VAT revenue on a cash basis according to a concept that is as far as possible in line with the ESA 1995 concept on a transaction basis was described above (cf. 3.25.1).

A distinction is made between two types of VAT fraud: fraud with complicity (knowledge) of the purchaser, and fraud without complicity.

In case of VAT fraud with complicity the seller and the purchaser agree not to invoice any VAT. The VAT that was legally payable is therefore not the subject of a transaction.

In the case of VAT fraud without complicity the purchaser pays the VAT to the seller, but the seller does not pass the VAT on to the fiscal administration. This amount is the subject of a transaction between seller and purchaser.

In Belgium, VAT fraud with complicity is only significant in a few industries (garages, some construction activities). The VAT rate for sales to households of the relevant SUT products is reduced proportionately in order to get the amount, for the calculation of VAT in the TRE that is equal to the theoretical VAT for the relevant products less the estimated VAT fraud with complicity for these products.

ESA 1995 (§ 4.27) states that the amounts of tax to be recorded are the amounts due for payment only when evidenced by tax assessments, declarations or other instruments which create liabilities in the form of clear obligations to pay on the part of taxpayers. VAT fraud without complicity involves the seller concealing the VAT paid by the buyer from the tax. This type of fraud de facto concerns industries that sell goods and services to households as consumers. VAT is not deductible by households, as a result of which the tax authorities do not receive an application for VAT reimbursement which could lead to identifying the seller. The amount of VAT fraud without complicity is therefore treated as a part of the turnover in basic price. The VAT rate for the relevant products is reduced proportionately to obtain actual VAT receipts (on a time-adjusted cash basis) after integration of the TRE.

⁸¹ Cf. also: Decision of the Commission of 24.07.1998 on the treatment of VAT fraud in the national accounts.

3.26. SUBSIDIES ON PRODUCTS (D.31)

Sections 3.26.1 and 3.26.2 apply to both subsidies on products (D.31) and other subsidies on production (D.39).

3.26.1. Description of basic data

3.26.1.1. Basic data on general government

In the Benelux economic regrouping, subsidies are recorded under economic codes 22, 31 and 32.

(i) Code 22 - Contributions to cover occasional operating losses incurred by public-sector enterprises

This group includes amounts to cover occasional losses incurred by public-sector enterprises. ESA treats all operating losses as operating subsidies (D.3).

(ii) Code 31 - Operating subsidies

Operating subsidies are income transfers effected by general government or by European Community institutions (via national budgets) as part of their economic and social policy to resident units which produce market goods and/or services.

These subsidies can serve to lower the selling price that would normally result from actual production costs. The aim is to influence selling prices and/or to allow a sufficient return on production factors. In principle, subsidies have the opposite effect to indirect taxes, which add to cost prices.

Here, we opt for another subdivision, since producer units (producers) which provide market goods and services may belong to different institutional sectors (sole proprietorships, corporations, etc.). Investment subsidies, compensation for damage caused by disasters, debt relief and other compensations are all capital transfers.

31.1 Interest subsidies

Interest subsidies granted to production units are also recorded as operating subsidies even if their purpose is to facilitate investment. In fact, these subsidies constitute transfers designed to reduce producers' operating costs. They are recorded as subsidies to producers even where general government pays the credit institution concerned the interest rate differential.

31.2 Other operating subsidies to public-sector enterprises

31.21 Price subsidies to public-sector enterprises

This involves subsidies paid to enterprises per produced unit of goods or services.

31.22 Other subsidies to public-sector enterprises

Examples include:

- operating subsidies granted conditionally to a public-sector enterprise in connection with a programme-contract;
- subsidies to public-sector enterprises to cover wage costs.

31.3 Other operating subsidies to producers other than public-sector enterprises

31.31 Price subsidies to private enterprises

These include subsidies paid to enterprises per produced unit of goods or services.

31.32 Other subsidies to producers other than public-sector enterprises

Examples include subsidies to private enterprises to reduce pollution or cover wage costs.

(iii) Code 32 – Income transfers, other than operating subsidies to corporations and financial institutions

This residual item mainly comprises transfers to public-sector enterprises to cover part of the cost of their former employees' pensions.

3.26.1.2. Basic data on Community subsidies

Community subsidies comprise mainly the following subsidies on products (D 311):

- intervention expenditure enabling the producer, in certain cases, to obtain a selling price higher than the world market price. EAGGF interventions benefit either farmers or the agri-food industry;
- refunds corresponding to the difference between the world market price and the Community market price. EAGGF refunds are granted on exports of agricultural products to non-member countries of the EU. The main final recipients are therefore food industry exporters and import-export firms dealing in agricultural products. Since the payment of refunds is carried out in the country where the goods are cleared and many European enterprises use the port of Antwerp for their exports,

refunds to these foreign firms relate to non-resident units and are therefore not shown in the Belgian national accounts.

It appears that nearly all agricultural subsidies are subsidies on products.

3.26.2. Calculation of subsidies (D.3)

<i>Data for 2003 (millions of euros)</i>	
Subsidies (D.3) from central government (S.1311)	
Code 31	1 622.0
Code 32	+ 526.0
Code 22	+ 0.0
VAT over-compensation	+ 8.9
State contributions to BNR pension charges	- 519.4
Income tax deducted at source and preserved by employers	+ 7.5
Subtotal	= 1 645.0
Subsidies (D.3) from Communities and Regions (S.1312)	
Code 31	1 601.4
Code 32	+ 168.3
Code 22	+ 0.7
Wage subsidies for disabled persons in sheltered employment	+ 241.1
Insecure status of employees in non-financial corporations	+ 138.8
Payments to regional transport companies	- 898.7
Payments to NV AQUAFIN	- 226.7
Other adjustments	+ -53.2
Subtotal	= 971.7
Subsidies (D.3) from local authorities (S.1313)	
Code 31 (Communes)	0.4
Code 32 (Communes)	+ 71.0
Code 22 (Communes)	+ 92.4
Deficit of PSWC hospitals	+ 76.8
Deficit of PSWC rest homes	+ 60.0
Subsidies to inter-municipal waste management bodies	+ 138.1
Other adjustments	+ 20.1
Subtotal	= 458.8

Subsidies (D.3) from social security administrations (S.1314)	
Wage subsidies to hospital contractors	114.0
Wage subsidies under the Maribel social scheme ⁸²	+ 523.7
Capitalisation of unemployment benefit subsidies	+ 105.9
Service cheques (Law of 2002)	+ 4.1
<i>Subtotal</i>	= 747.7
Subsidies (D.3) from EU institutions (S.212)	
Interventions	585.0
Refunds	+ 429.4
Refunds for non-resident enterprises	- 180.0
Changes in prefinancing	+ 77.6
Other capital transfers included in the above amounts	- 46.2
<i>Subtotal</i>	= 865.8

⁸² The Maribel social scheme has been in operation since mid-1997. Within each non-market sector, as defined by Belgian law, not by ESA (hospitals, health establishments and services, educational and accommodation facilities, etc.), it was decided to place the total proceeds arising from "reductions in social contributions" in a fund and pass them on to certain employers, according to priorities defined jointly with the supervisory authorities. This is not a reduction for individual employers, but a sectoral reduction regulated by collective agreement.

An employer in these sectors has to continue paying the NSSO the social contributions for his staff. The NSSO acts as agent and pays to the relevant Maribel sectoral fund the amount corresponding to the reductions in social contributions, with a view to the creation of new jobs.

If the employer decides not to use the Maribel scheme, he need take no action. An employer who wishes to take part submits an application form to the Maribel fund for his sector. The application must be signed by the workers' representatives.

If the employer wishes to recruit a worker or create a job, he must follow the procedures laid down in his collective agreement. Some are automatic and require only the agreement of the fund, whereas others have to go through a selection procedure in which the (joint) management committees of the funds have to make choices under the criteria of collective agreements and arrangements made with supervisory authorities.

These Maribel funds have opted for the status of social protection funds. The traditional social protection funds receive compulsory statutory social contributions and are part of the social security administrations sector (S.1314). They pay social security benefits and organise training for the workers concerned.

Treatment in the national accounts.

The Maribel social protection funds also form part of the social security administrations, since their activity is a non-market one and their operating costs are covered by a levy on the amounts that the NSSO places at their disposal.

An employer in the sector concerned pays standard contributions to the NSSO, which transfers to the sector's social fund a combined amount determined for all employers in that sector. If the employer wishes to have the benefit of the Maribel social scheme, he submits an application form to the social fund, which, if the conditions are met, makes a payment to the employer.

The following operations are recorded in the national accounts: payment of employers' contributions, followed by internal transfer between two social security administrations and, finally, a wage bill subsidy.

3.26.3. Calculation of subsidies on products (D.311)

The following table breaks down the various subsidies (D.3) by the subsector which grants them. As may be seen, all fairly large subsidies are coded D.31 or D.39, while the remainder, mostly paid by the Regions, are recorded under the residual heading "Other subsidies on production n.e.c. (D.39)".

		Central government (S.1311)	Communities and Regions (S.1312)	Local authorities (S.1313)	Social security admins. (S.1314)	EU institutions (S.212)	Total (S.13 + S.212)
	Data for 2003 (millions of euros)						
D.3	Subsidies	1645.0	971.7	458.8	747.7	865.8	4689.0
D.31	Subsidies on products	1483.6	0.0	136.8	0.0	853.8	2474.2
D.311	Subsidies on imports	0.0	0.0	0.0	0.0	0.0	0.0
D.319	Other subsidies on products	1483.6	0.0	136.8	0.0	853.8	2474.2
	BNR losses	1362.7	0.0	0.0	0.0	0.0	1362.7
	Losses incurred by the Postal Service	120.9	0.0	0.0	0.0	0.0	120.9
	Losses incurred by De Lijn, STIB, TEC, SRWT	0.0	0.0	0.0	0.0	0.0	0.0
	Losses incurred by PSWC hospitals	0.0	0.0	76.8	0.0	0.0	76.8
	Losses incurred by PSWC rest homes	0.0	0.0	60.0	0.0	0.0	60.0
	European subsidies (CAP)	0.0	0.0	0.0	0.0	853.8	853.8
	Subsidised season tickets (BNR)	0.0	0.0	0.0	0.0	0.0	0.0
	National agricultural subsidies	0.0	0.0	0.0	0.0	0.0	0.0
	Subsidies to drinking water companies (FR)	0.0	0.0	0.0	0.0	0.0	0.0
	Other subsidies on products	0.0	0.0	0.0	0.0	0.0	0.0
D.39	Other subsidies on production	161.4	971.7	322.0	747.7	12.0	2214.8
	ONDRAF subsidies	18.9	0.0	0.0	0.0	0.0	18.9
	RTM subsidies	0.0	0.0	0.0	0.0	0.0	0.0
	Subsidies to mutual organisations for insurance of minor risks for the self-employed	54.5	0.0	0.0	0.0	0.0	54.5
	TLC, RPILM and other schemes redirected from S.15 to S.11	0.0	138.8	0.0	0.0	0.0	138.8
	Contractual wage subsidies to hospitals	0.0	0.0	0.0	114.0	0.0	114.0
	Capitalisation of unemployment benefit subsidies	0.0	0.0	0.0	105.9	0.0	105.9
	Service cheques (Law of 2002)	0.0	0.0	0.0	4.1	0.0	4.1
	Income tax deducted at source by employers	7.5	0.0	0.0	0.0	0.0	7.5
	Losses incurred by SFSHL	0.0	0.0	0.0	0.0	0.0	0.0
	BNR interest subsidies	13.7	0.0	0.0	0.0	0.0	13.7
	Interest subsidies to the Postal Service	0.0	0.0	0.0	0.0	0.0	0.0
	FEER agriculture interest subsidies	5.9	0.0	0.0	0.0	0.0	5.9
	Agricultural Fund interest subsidies	0.0	0.0	0.0	0.0	0.0	0.0
	Interest subsidies n.e.c.	-16.7	119.6	0.0	0.0	0.0	102.9
	Subsidies on disabled persons' wages	0.0	241.1	0.0	0.0	0.0	241.1
	European subsidies under the CAP	0.0	0.0	0.0	0.0	12.0	12.0
	National agricultural subsidies	0.0	5.0	0.0	0.0	0.0	5.0
	VAT over-compensation	8.9	0.0	0.0	0.0	0.0	8.9
	MARIBEL scheme - non-market sector	0.0	0.0	0.0	523.7	0.0	523.7
	Subsidies to inter-municipal waste management bodies	0.0	0.0	138.1	0.0	0.0	138.1
	Deficit of PSWC rest homes	0.0	0.0	0.0	0.0	0.0	0.0
	Other subsidies on production n.e.c.	68.7	467.2	183.9	0.0	0.0	719.8

4. THE INCOME APPROACH

4.1. GDP ACCORDING TO THE INCOME APPROACH

The relative magnitude of branches of activity (A17) and institutional sectors in the Belgian economy can be seen from the following tables.

Income components, 2003 (millions of euros)

D.1 Wages and salaries

D.1	Sector					
A17	S.11	S.12	S.13	S.14	S.15	S.1
A	349.6			110.9		460.5
B	33.1			0.7		33.8
C	143.6			0.1		143.7
D	28 129.4		7	214.2		28 350.6
E	2137			0		2137
F	6602			278.5		6 880.5
G	16 873.3		0	551.6		17 424.9
H	1955.8			249.5		2 205.3
I	10 290.7		1 817.6	62.9		12 171.2
J		8 283.8		28.5		8 312.3
K	15 263.2			369.3	59.5	1 5692
L			16 664.1			16 664.1
M	187		14 925.9	2.7	169.1	15 284.7
N	11 588.1			92.8	730	12 410.9
O	2 123.6		350.3	117.1	925.6	3 516.6
P				909.0		909.0
Total	95 676.4	8 283.8	33 764.9	2 987.8	1 884.2	142 597.1

Other taxes on production (D.29)

D.29	Sector					
A17	S.11	S.12	S.13	S.14	S.15	S.1
A	4.9			14.6		19.5
B	1.3			0.1		1.4
C	20.2			0.1		20.3
D	732		0	10.9		742.9
E	109.5			0		109.5
F	82.5			13.1		95.6
G	443.6		0	63.6		507.2
H	95.7			39.2		134.9
I	177.8		0	5.8		183.6
J		337.4		0		337.4
K	541			2372	0.8	2 913.8
L			0			0
M	2.1		0	0.1	0.5	2.7
N	45.9			0	2.2	48.1
O	173.4		0	11	7.4	191.8
P				0		0
Total	2 429.9	337.4	0	2 530.5	10.9	5 308.7

Other subsidies on production (D.39)

D.39	Sector					
A17	S.11	S.12	S.13	S.14	S.15	S.1
A	8.3			19.3		27.6
B	2			0.1		2.1
C	0.1			0		0.1
D	275.3		0	1		276.3
E	14.8			0		14.8
F	15.2			2.6		17.8
G	75.5		0	5.3		80.8
H	2.5			0.2		2.7
I	152.5		0	1.8		154.3
J	57.1			0		57.1
K	603.8			9.2	0	613
L		0				0
M	1.9		0	0	0	1.9
N	725.6			0	0	725.6
O	237.7		0	3	0	240.7
P			0			0
Total	2 115.2	57.1	0	42.5	0	2 214.8

Gross operating surplus and mixed income (B.2g+B.3g)

B.2g	Sector					
A17	S.11	S.12	S.13	S.14	S.15	S.1
A	263.1			1 969.8		2 232.9
B	32.3			2.6		34.9
C	150.7			1		151.7
D	13 402.5		25.7	504.8		13 933.0
E	3 591.2			0		3 591.2
F	3 144.9			1 834.6		4 979.5
G	11 429.6		-0.7	2 254.6		13 683.5
H	718.7			1 036.9		1 755.6
I	5 586.8		1 986.6	234.6		7 808.0
J	5 366.6			349.6		5 716.2
K	9 810.3			26 255.2	13.9	36 079.4
L		1 562.3				1 562.3
M	34.9	1 055.5		12.7	10.3	1 113.4
N	2 628.6			2 546.1	26.3	5201
O	1464		74.2	565.7	49	2 152.9
P				0		0
Total	52 257.6	5 366.6	4 703.6	37 568.2	99.5	99 995.5

The resulting totals for 2003 are as follows:

	S.11	S.12	S.13	S.14	S.15	S.1
D.1	95 676	8 284	33 765	2 988	1 884	142 597
D.29	2 430	337	0	2 531	11	5 309
D.39 (-)	2 115	57	0	43	0	2 215
B.2g+B.3g	52 258	5 367	4 704	37 568	100	99 996
D.21						31 446
D.31(-)						2 474
GDP						274 658
D.1						142 597
D.2						36 754
D.3(-)						4 689
B.2g+B.3g						99 996
GDP						274 658

4.2. REFERENCE FRAMEWORK

4.2.1. Income components

As already indicated in the introductory section on the output approach, there is no independent estimate of Belgian GDP using the income approach. Value added at basic prices and its income components (compensation of employees, net other taxes on production, gross operating surplus/mixed income) are after all estimated simultaneously with B.2g + B.3g being determined as a balance.

Compensation of employees (D.1) is estimated by the combined use of accounting information (annual accounts, balance sheets, specific accounting statements for the financial sector, general government accounts) and administrative data relating to wages, salaries and social contributions paid to the Social Security institutions (NSSO and NSSOPLA file).

The wage bill is distributed among the various industries and sectors using the characteristics of enterprises / employers (NACE code and sector code) in the directory (cf. 4.7).

The totals for D.29 and D.39 are known via the general government account and the rest of the world account (cf. 4.8 and 4.9). These totals are divided among sectors and industries taking into account the type of the taxes and subsidies and the quantity and quality of information available from enterprises. For the financial sector (S.12) we have near-exhaustive information on paid D.29 and received D.39. The part of D.29 that must be included in the sector account S.15 is deduced from the structure survey. The rest is distributed among S.11 and S.14. The majority of D.29 in S.14 concerns property tax paid by owners of dwellings (the output of housing services is included in industry K).

The annual accounts and structure survey contain the corporation taxes (account 640) and operating subsidies received (account 740). These items are adjusted to exclude taxes and subsidies on products recorded in them. Other taxes and subsidies on production recorded in other accounts (e.g. interest subsidies recorded in financial revenues) are transferred to accounts 640 or 740 respectively.

Then the amounts that we find in the accounts (annual accounts and structure survey) of non-financial corporations (S.11 and S.14) are aligned with the 'exogenous' amounts from the general government account (and the rest of the world account) [cf. 3.3.1.2.1. adjustment (aa)].

The gross operating surplus/gross mixed income (B.2g/B.3g) per industry is the difference between the value added (B.1g), compensation of employees (D.1) and net other taxes on production (D.29 - D.39).

4.2.2. Introduction to the various social insurance and social assistance schemes in Belgium

The following table sets out the various social insurance and social security schemes in Belgium, cross-classified by sector and by ESA 1995 category.

For the first three categories (social security schemes run by federal government, autonomous and non-autonomous pension funds), the employers' actual contributions (D.121) are added to gross wages and salaries (D.11) to arrive at the compensation of employees (D.1). The same applies to the fourth category (social insurance schemes without constitution of reserves managed by employers), except that employers' contributions are imputed contributions (D.122). For the fifth category (social assistance arrangements), there are no employers' contributions.

The meaning of the colours is as follows:



Does not exist (not provided for by ESA 1995 or by Belgian law)

None (at present)

	Social security schemes run by government	Autonomous pension funds	Non-autonomous pension funds	Unfunded social insurance schemes run by employers	Non-contributory social assistance arrangements
Federal Government (S.1311)	<ul style="list-style-type: none"> ■ Survivors' pension fund ■ Pool for semi-state bodies ■ Postal Service retirement pension scheme (as from 1997) ■ Employment fund 			<ul style="list-style-type: none"> ■ Wages paid during sickness ■ Retirement pensions ■ Family allowances ■ Industrial accidents 	<ul style="list-style-type: none"> ■ Guaranteed income for the elderly ■ Disability allowances ■ War pensions ■ Ministry of Public Health contributions towards hospitalisation costs ■ Maritime Transport Authority (RTM) staff retirement pensions (as from 1997)
Communities and Regions (S.1312)			Pension funds set up as NPAs and responsible for "first pillar" public-sector pensions are regarded as non-autonomous pension funds (e.g. VRT)	<ul style="list-style-type: none"> ■ Wages paid during sickness ■ Retirement pensions ■ Family allowances 	<ul style="list-style-type: none"> ■ Student grants ■ Transfers relating to youth protection and Fund for Special Assistance to Young Persons

Local authorities (S.1313)			<p>Pension funds set up as NPAs and responsible for "first pillar" public-sector pensions are regarded as non-autonomous pension funds (e.g. East Flanders Province pension fund)</p>	<ul style="list-style-type: none"> ■ Municipal pension funds ■ Wages paid during sickness ■ Retirement pensions (subsidised education) ■ Family allowances (subsidised education) ■ Non-statutory family allowances ■ Pensions paid directly by commune (non-contributory) 	<ul style="list-style-type: none"> ■ Social minimum income ■ Destitution relief
Social security administrations (S.1314)	<ul style="list-style-type: none"> ■ General scheme for employees ■ Scheme for the self-employed ■ Mineworkers' scheme ■ Seafarers' scheme ■ Social protection fund ■ Municipal pension fund (pool I and pool II) ■ Time credits and paid training leave 			<ul style="list-style-type: none"> ■ Wages paid during sickness (semi-state D) ■ Family allowances (semi-state D) ■ Non-statutory family allowances (mutual organisations), ■ ... 	<ul style="list-style-type: none"> ■ Guaranteed family allowances

	Social security schemes run by government	Autonomous pension funds	Non-autonomous pension funds	Unfunded social insurance schemes run by employers	Non-contributory social assistance arrangements
Insurance enterprises (S.125)		<ul style="list-style-type: none"> ■ Insurance enterprises (industrial accidents, group insurance, hospitalisation insurance with employers' contributions, etc.) ■ Mutual organisations (independent health care insurance - minor risks of self-employed persons) ■ Pension fund for Members of Parliaments ■ Senators' Retirement Fund, ■ Electrabel pension fund (supplementary pensions), ■ ... 		<ul style="list-style-type: none"> ■ Contributions towards medical expenses, ■ Non-statutory family allowances, ■ ... 	

Non-financial corporations and other financial corporations (S.11, S.121_124)			<ul style="list-style-type: none"> ■ Enterprises can no longer use non-autonomous pension funds (Law of 9 July 1975 and Royal Decrees of 14 and 15 May 1985), but pension funds set up as NPAs and responsible for "first pillar" public-sector pensions are regarded as non-autonomous pension funds (e.g. Belgacom) ■ Belgian National Railways' social solidarity fund 	<ul style="list-style-type: none"> ■ BNR pension fund ■ Wages paid during sickness (BNR, Postal Service) ■ Contributions towards medical expenses ■ Non-statutory family allowances ■ Postal Service and RTM retirement pension scheme (up to 1996) ■ Redundancy pay under a collective agreement ■ Employers' share of contractual early retirement pensions ■ ... 	
NPISHs (S.15)				<ul style="list-style-type: none"> ■ Contributions towards medical expenses ■ Non-statutory family allowances 	<ul style="list-style-type: none"> ■ Poverty relief ■ Aid for developing countries ...

4.2.3. Social security in Belgium

4.2.3.1. General

There are currently three main social security agencies which receive employers' actual contributions (D.121): the National Social Security Office (NSSO), which is the general collecting agency; the National Social Security Office for Provincial and Local Authorities (NSSOPLA), created in 1986 when it took over the NSSO's responsibilities for provincial and local authorities and associated bodies; and a specialised agency, the Seafarers' Relief and Contingency Fund (SRCF)⁸³. Beside these, a number of disbursing agencies also receive employers' contributions, e.g. the National Family Allowances Office for Employed Persons (ONAFTS) collects contributions on a per-capita basis.

The collecting agencies are responsible for distributing the proceeds from contributions, current transfers from Federal Government (S.1311) and earmarked taxes between the agencies that disburse various social benefits.

4.2.3.2. Holiday pay

Holiday pay is part of statutory social security. It only applies to manual workers. Employers pay the collecting agencies a contribution towards workers' holiday pay. This contribution is transferred to the agency which provides the holiday benefits: the National Office for Annual Holidays (NOAH), which generally disburses to manual workers every year, via auxiliary bodies, an amount of money as their ordinary holiday pay.

As the "annual holidays" part of the Belgian social security system is not part of the social risks and needs within the meaning of ESA 1995, it follows that "social contributions" intended for the NOAH, the Seafarers' Paid Leave Office and other specific annual holiday funds (e.g. in the construction and diamond industries) are not actual social contributions within the meaning of national accounting but part of the remuneration of workers and seafarers.

As the institutional units running this branch of activity do not provide a market service, they are included in Federal Government. Their revenue and expenditure are therefore grouped with those of the latter, except "employers' contributions to annual holiday pay" which are completely transparent. In other words, employers' contributions are regarded as payment of wages to households that are then invested by the latter in an account opened with the NOAH, while annual

⁸³ Another specialised agency, the National Retirement Fund for Mineworkers (NRFM), was dissolved in 1999, and contributions to it have since gone to the NSSO. In addition, a number of social protection funds collect contributions directly, without NSSO involvement.

holiday pay is regarded as a withdrawal of these amounts by households when they can access the funds held at the NOAH which had previously been blocked.

4.3. VALUATION

The valuation according to the directives of ESA 1995 is done by converting the economic/administrative aggregates (operating revenues/turnover, operating costs/ acquisitions, wages, salaries and social charges, corporate taxes, operating subsidies) into the corresponding ESA 1995 aggregates (output, intermediate consumption, compensation of employees, other taxes and subsidies on production) (cf. 3.2).

4.4. TRANSITION FROM ADMINISTRATIVE TO ESA 1995 CONCEPTS

For non-financial corporations please refer for this to the output approach (cf. 3.3).

In calculating the mixed income of self-employed persons the distinction between intermediate consumption (acquisition of goods and services used in professional activity) and final consumption is important. In the tax returns (VAT returns or personal income tax returns) one finds usable data relating to intermediate consumption/operating costs of self-employed persons:

- * the acquisitions stated in the VAT returns must relate to professional activity to be deductible;
- * the professional expenses that relate to acquisitions of goods and services reported in the personal income tax returns are a good approximation for the inputs used in the production process of self-employed enterprises.

4.5. THE ROLE OF DIRECT AND INDIRECT METHODS

Direct methods are used to estimate almost the entire wage bill. Direct information is available from corporate accounting records and from quarterly returns to the NSSO and the NSSOPLA. Information on units classified to S.14 and S.15, which account for only a small part of the total wage bill, is only available from the NSSO.

Where necessary, amounts are derived from accounting records and the administrative sources are extrapolated to give an exhaustive figure. Some of these adjustments (tips, undeclared wages, domestic staff, etc.) are made indirectly.

The following table provides an overview of sources used and adjustments applied per sector. The methodology is described in detail in section 4.7.

Compensation of employees – sources and adjustments 2003 (millions of euros)						
	S.11	S.12	S.13	S.14	S.15	S.1
NSSO	29 219.2	337.5	0.0	2 015.7	1 701.3	33 273.7
Extrapolation of NSSO wages and salaries after comparison with balance sheets/annual accounts	1 589.2	24.5				1 613.7
Balance sheets and annual accounts (including " large enterprises")	58 244.8	1 119.6				59 364.4
NSSOPLA	3 866.0					
Schedules A and annual reports		4 916.8				4 916.8
Accounting data of insurance enterprises		1 840.3				1 840.3
General government accounts			33 764.9			33 764.9
Total	92 919.2	8 238.7	33 764.9	2 015.7	1 701.3	138 639.8
Adjustments	2 757.2	45.1	0.0	972.1	182.9	3 957.3
NPA extrapolation	489.8					489.8
SRCF	22.3					22.3
Wages in kind paid	701.8	26.8				728.6
Wages in kind produced	54.9			5.7		60.6
Gratuities	289.2			42.1		331.3
Undeclared wages	925.8			91.6		1 017.4
Redistribution to SMEs	41.4	18.3		-31.8	0.0	27.9
Profit sharing	33.3					33.3
Local employment agencies	59.9					59.9
Domestic staff			842.7			842.7
Industrial accident insurance premiums			21.8	13.4		35.2
Priests				121.9		121.9
Special status (funded by S.13)	138.8			47.6		186.4
Total after adjustments	95 676.4	8 283.8	33 764.9	2 987.8	1 884.2	142 597.1

4.6. DIRECT MEASUREMENT AND EXTRAPOLATION

All estimates for a particular year are done by direct measurement.

4.7. EXHAUSTIVENESS

The exhaustiveness of the estimate is guaranteed by the general procedure used: use of business register which includes all (officially registered) employers.

A computation is carried out for wages and salaries paid in kind, undeclared wages (these amounts are consistent with the amounts relating to undeclared value added), tips and wages paid to domestic staff that in most cases are not registered. In total the extrapolation for the above elements is around EUR 3 billion or 2.1 % of the total wages bill.

4.8. COMPENSATION OF EMPLOYEES (D.1)

4.8.1. Overview

Compensation of employees is defined as the " total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period" (ESA 1995, 4.02).

Compensation of employees (D.1) is obtained by adding together several components:

Table 1: D.1 breakdown of whole economy (S.1)

2003 values (millions of euros)			
(a) Gross wages and salaries in cash and in kind D.11			104 835.0
(b) Employers' social security contributions D.12 =D.121+D.122	(b) = (B.1) + (B.2)		37 762.1
	(B.1) Actual social contributions (D.121)	+	28 778.3
	Of which paid to S.13		28 831.8
	Of which paid to other sectors		4 446.5
	(B.2) Imputed social contributions (D.122)	+	8 983.8
(c) Compensation of employees D.1 =D.11+D.12	(c) = (a) + (b)	=	142 597.1

Compensation of employees is calculated per institutional sector. The data sources and method of calculation differ according to the institutional sector concerned. Within each sector, remuneration is calculated by branch of activity.

4.8.2. Total remuneration: non-financial corporations (S.11)

4.8.2.1. Non-financial corporations S.11 (source: NSSO)

The National Social Security Office (NSSO) provides quarterly data by enterprise. These data, which are based on the quarterly declarations from all employers established on Belgian territory (except those falling within the competence of other social security agencies; see below) and employing workers under an employment contract, provide information on employed persons and their remuneration. The data are therefore limited to the components of the gross wages and salaries on which social contributions are payable, plus those contributions. In addition to

descriptive data on the enterprise, they include employers' contributions, reductions in contributions, days paid, holidays, workforce and remuneration (wages, severance payments, bonuses, holiday pay, flat-rate wages, stand-by wages for truck drivers, personal contributions) and, up to 2002, data on luncheon vouchers.

4.8.2.1.1. Calculation of gross wages and salaries according to NSSO

Wages in cash

For wages and salaries in cash, the calculation differs by category of workers: "white collar", "officials" and "white collar trainees", or "blue collar" and "blue-collar trainees". This is because of the different holiday pay arrangements for white-collar and blue-collar workers.

The method of obtaining wages in cash (excluding double holiday pay) is the same whatever the category of worker. Among the variables available in the NSSO data by category of worker we add up "normal" wages, flat-rate wages, stand-by wages and bonuses. The resulting sum includes social contributions payable by the employee and is therefore in line with the ESA definition. Double holiday pay and supplementary allowance have then to be added to it. This is where the distinction between white-collar and blue-collar workers arises.

In simplified terms, for white-collar workers, single and double holiday pay and the supplementary allowance are paid directly by the employer. Single holiday pay (normal wages during the month when holidays are taken) forms part of the remuneration which is subject to NSSO contributions and is therefore already recorded under wages. Double pay is a supplement which generally represents 85% of gross remuneration for the month in which holidays are taken. It is excluded from the concept of remuneration but is subject to a personal contribution (13.07%). Knowing the amount of the personal contribution paid, the NSSO can deduct from it the amount of double pay. Supplementary allowance⁸⁴ on top of double holiday pay, which is not subject to contributions, is added.

The holiday pay of manual workers is not paid directly by the employer but by the holiday fund to which the latter is affiliated, i.e. the National Office for Annual Holiday pay (NOAH) or specific funds. To provide single and double holiday pay, the employer pays a quarterly contribution (6% of 108% of gross remuneration) on remuneration for the quarter (wages, bonuses and allowances) along with the other employers' contributions to the NSSO, and an annual contribution (10.27% of

⁸⁴ The total double holiday pay (including the supplementary allowance) represents 92% of the single holiday pay, which is the gross remuneration of the month in which the holiday period falls. Personal contributions are only paid on the double holiday pay (excluding the supplementary allowance) calculated at 85% of the gross remuneration of the month in which the holiday period falls. The total double holiday is therefore obtained by taking 92/85 of the basis of the contributions received by the NSSO.

108% of gross remuneration) which is passed directly transferred on to the NOAH (or paid directly into a specific fund or the social protection fund for enterprises in the diamond and construction industries). This 10.27% contribution is not stated in the quarterly declaration but two new variables are created for incorporation on a notional basis in the quarterly files, with a distinction being made between contributions paid for construction workers and other workers. Manual workers' holiday pay is derived from this contribution [holiday pay = (contribution/10.27)*16.27].

Wages in kind

The NSSO instructs employers to treat benefits in kind as follows:

"Benefits in kind are regarded as remuneration for the calculation of social security contributions. They must be evaluated as accurately as possible, at current prices. With regard to the provision of free housing, the estimate should be based on rental value, unless the benefit can be evaluated on a standard basis."

The following benefits in kind as defined in ESA 1995 are clearly excluded from the concept of remuneration for the purpose of calculating social contributions:

- provision of a meal in a company canteen at below cost-price;
- luncheon vouchers (exempt from social contributions if they meet a set of conditions);
- gifts in kind, in cash or in the form of gift vouchers, if they meet certain conditions (must not exceed a given amount);
- benefit from personal and individual use of a vehicle placed at the worker's disposal by the employer, whether for commuting purposes or for private use. A solidarity contribution of 33% has been payable on this benefit since 1997.

Benefits in kind are therefore statutory declarable to the NSSO as remuneration which is subject to social contributions, except those benefits which are explicitly exempt. Other benefits in kind will be discussed later (cf. 4.7.2.2.4).

4.8.2.1.2. Calculation of employers' social contributions according to NSSO

Actual social contributions

Employers' contributions to the NSSO are the sum of standard and special contributions together from which personal contributions are deducted (already entered under gross wages and salaries) and the deductions to which the employer is entitled.

Many employers also make payments towards non-statutory benefits upon retirement or premature death (mainly payments to group insurances and pension funds), which are also actual social

contributions. A special contribution to the NSSO of 8.86% is imposed on these payments. The amount of non-statutory benefit is obtained indirectly from this contribution.

Imputed social contributions

The only component of imputed contributions according to ESA for which the NSSO has separate data is severance pay. Daily, weekly or monthly guaranteed wages during absence due to accident or sickness are recorded by the NSSO as "normal" wages, whereas ESA treats them as imputed contributions. These payments therefore form part of the wage bill according to the NSSO, but are not recorded in the correct place.

Conversely amounts paid directly by the employer that have to be regarded as a supplement to a benefit granted by the social security system do not constitute remuneration for NSSO purposes. This exemption is restrained to supplements to legal pensions (supplements which are also subject to a special contribution), unemployment benefits (including supplements because of career interruption), family benefits and allowances granted in the event of sickness or accident. Apart from supplementary pensions, these elements are unknown to the NSSO and are therefore not recorded here.

4.8.2.1.3. Total compensation of employees in sector S.11 according to NSSO

The compensation of employees according to the NSSO is obtained by adding together wages in cash and kind and actual and imputed social contributions calculated as described above. This total is the starting point for adjustments to ESA 1995 definitions. Some elements of the compensation of employees according to ESA 1995 are not subject to social contributions. The preliminary estimate based on social security data is therefore incomplete. Only after a series of additions can a breakdown between gross wages and salaries (D.11) and actual and imputed social contributions (D.121 and D.122) be arrived at.

Compensation of employees according to NSSO (S.11)

S.11 (excluding "large enterprises")		2003 values (millions of euros)
(1) Gross wages and salaries according to NSSO	(1)	57 926,9
(2) Actual social contributions according to NSSO	(2)	18 551,3
(3) Imputed social contributions according to NSSO	(3)	803,7
(2) + (3) = Social contributions according to NSSO (4)	(4)=(2)+(3)	19 355,0
(5) Compensation of employees according to NSSO	(1)+(4)	77 281,9
(5a) enterprises for which accounting data are used	(5a)	48 062,5
(5b) enterprises for which NSSO data are used	(5b) = (5) - (5a)	29 219,4

4.8.2.2. Upgrading the NSSO wage bill

4.8.2.2.1. Comparison between NSSO and accounting data

Direct use of accounting data is advisable because its concept of the remuneration is more in line with ESA 1995 than that of NSSO, since they cover all wage costs, irrespective of whether they are subject to social contributions. These data are used where they are of sufficient quality, combining the advantages of the social balance (which is confined to "interior" remuneration) and the annual accounts (which state any pensions paid directly by employers and the wages of statutory personnel who have the status of being established "officials").

Because this involves estimating remuneration using the "interior" concept, there is a reliable way for eliminating the total wages and salaries bill for foreign establishments consisting of using the social balance (based on a domestic concept). Where in addition to employees entered in the staff register the annual accounts also include all employees of the corporation that are not entered in the staff register, the social balance uses a more limited definition and entry in the staff register is a strict condition. In this way employees permanently employed abroad are left out of the social balance.

The reverse of the coin is that other groups, namely the statutory groups, are not observed in the social balance. This problem can be reduced to a limited number of known corporations⁸⁵. For these corporations heading 62 of the annual accounts will be used.

A second necessary computation of the social balance data concerns supplementary payments for pensions paid directly by the employer (included according to ESA as imputed contributions). These may however simply be estimated by adding heading 624 from the annual accounts⁸⁶.

The methodology is therefore as follows. Accounting data are used directly to calculate the wage bill for enterprises in the "core" subpopulation in cases where they are of sufficient quality, i.e. meeting the following criteria:

- providing wage bill data that are neither zero nor missing from any of the three sources (NSSO, annual accounts and social balance sheet);

⁸⁵ This applies only to three of the enterprises covered by the directory of production units. The largest employers of statutory personnel are in effect large public-sector enterprises (Postal Service, BNR), which are processed individually on the basis of their detailed accounting data, or enterprises covered by NSSOPLA (mainly MCUs, see 4.1.3.1).

⁸⁶ Heading 624 "pensions" covers only benefits supplementary to the statutory pensions that the employer pays directly ("non-contributory non-statutory pensions"; i.e. not non-statutory annuities and pensions paid by third agencies such as group insurances or pension funds).

- providing accounting data deemed usable (i.e. belonging to categories A1, B.1, B.2, C1 and C2, cf. section 3.3.1.1.1);
- accounting year coinciding with calendar year.

For core enterprises, the wage bill is calculated as the sum of "personnel expenses" taken from the social balance (code 1023) and "pensions" from the annual accounts (code 624).

Core enterprises' data are also used for calculating upgrade coefficients by sector, branch of activity and category of enterprise⁸⁷ (large or small, with full or abridged accounting schedule, cf. 3.3.1.1.1), representing the average ratio between the wage bill as defined above (balance sheet code 1023 + annual accounts code 624) and remunerations calculated from NSSO data.

For other enterprises, a revaluation of the amounts gathered from NSSO to take into account remuneration elements not covered by NSSO is effected by means of upgrade coefficients.

In this case the wage bill is calculated as the product of multiplying the remunerations calculated from the NSSO data by the average upgrade coefficient of the corresponding sector/SUT/NACE/category combination.

For all enterprises, the wage bill taken from NSSO is regarded as a minimum (on the assumption that in the declarations they submit to NSSO, enterprises do not over-estimate the remunerations on which they have to pay social contributions etc.).

4.8.2.2.2. Increase in compensation of employees of NPAs in sector S.11

Structure survey specific to NPAs includes a "personnel expenses" heading which makes it possible to calculate more complete compensation of employees than the NSSO, but only for enterprises covered by the survey. The principle is the same as for the comparison between NSSO and national accounts data:

- identify those enterprises that are covered by both sources (NSSO and structure survey);
- compare the compensation of employees by branch of activity according to the two sources and calculate upgrade coefficients by branch of activity;
- for branches which are not represented, an average coefficient is used.

⁸⁷ Calculation of provisional coefficients for about 900 sector/NACE branch of activity/category combinations.

4.8.2.2.3. Specific methods of calculation

Remuneration in "large" enterprises

"Large enterprises" (such as BNR, Belgacom and the Postal Service) are not considered in the method for calculating remuneration. As with the other variables relating to these enterprises, remuneration is calculated by an individual analysis of their annual accounts or reports. The amounts obtained are incorporated as such into the overall wage bill of sector S.11.

Intermediate D.1 (after first adjustments) for S.11

S.11	2003 values (millions of EUR)	
<i>token entry (5a) NSSO D.1 of enterprises for which accounting data are used (excluding large enterprises)</i>	48 062.5	
(6a) Wage bill of this population according to accounting data	53 895.9	
<i>token entry (5a) NSSO D.1 of enterprises for which NSSO data are used</i>	29 219.4	
(6b) NSSO D.1 revalued via accounting data	(5b)*(7) (7)1.054 (average coefficient)	+ 30 808.6
(8) Upgraded NSSO D.1 of sector S.11 NPAs	+ 489.8	
(9) "Large enterprises" (sources: annual reports and accounts)	+ 4 348.9	
(10) Intermediate D.1 for S.11	(10)= (6a) + (6b) +(8) +(9)	= 89 543.2

4.8.2.2.4. Final adjustments of sector S.11 remuneration

These relate to various elements of the compensation of employees according to ESA 1995, such as benefits in kind, tips and undeclared labour. They do not form part of remuneration in the accounting data, so neither direct use of the latter nor recourse to upgrade coefficients will take them into account.

Moreover, the wages of workers falling within the competence of other social security agencies have to be added to the wage bill of enterprises covered by the NSSO.

Wages in kind purchased

Vehicles supplied for employees' personal use

From 1 January 1997, an employers' solidarity contribution of 33% has been imposed on the private use of company cars, so from that date we indirectly know the amount of this benefit in kind.

Other benefits over and above wages

The social balance comprises an item on "benefits over and above wages" comprising "benefits provided with a clear corporate purpose or with a view to fostering good relations between members of staff and strengthening their ties with the company (e.g. wedding presents, use of company sporting and cultural facilities, benefits from use of a medical service, use of employer's services, purchase of goods at cost price, etc.). These non-salary benefits are not taxable to the recipient insofar as they are not already included in personnel costs"; the amounts that appear under these headings are taken as such.

Wages in kind produced

Goods and services produced by the enterprise itself and made available to its employees at below market prices.

An estimate is made for automotive engineering and for catering, these being two branches of activity in which the amount of such goods and services may be substantial and is relatively easy to quantify.

The resulting benefit is estimated by the following general formula: unit benefit in euros in 2002⁸⁸
 * number of persons concerned * frequency * price variation relative to base year 2002.

Gratuities/Tips

These are only estimated for hotels and catering, taxis, hairdressing and beauty care, as a percentage of turnover. The percentages arbitrarily applied are 5% for hotels and catering, 3% for taxis and 1% for hairdressing and beauty care.

88 Automotive Assembling (S.11)

The staff of car manufacturers has the possibility to buy a car at an important reduced price every so many years. This benefit can be estimated in function of:

- *the benefit in kind*: the discount is fixed on 5000 €;
- *the number of staff concerned*: generally such a purchase can occur every 5 years. So it is common to presume that annually 20% of the staff does so;
- *the price evolution*.

Catering Industry (as well S.11 as S.14)

Staff in the catering industry gets on a regular basis meals and drinks. The estimation of this benefit depends on:

- *the benefit in kind*: the value is fixed on 10 euro;
- *the number of staff concerned*: we presume that half of them can benefit;
- *the frequency*: 50 times a year;
- *the price evolution*.

Undeclared labour

A proportion of output and intermediate consumption, and therefore of value added and wages, is accounted for by undeclared labour. This is catered for by upgrading the figures for output and intermediate consumption of small and medium-sized enterprises (SMEs) in sector S.11 by percentages estimated by branch of activity and by category. Part of this upgrade is applied to wages.

Wages declared to the National Social Security Office for Provincial and Local Authorities (NSSOPLA)

In addition to its family allowance payment functions, the NSSOPLA is also responsible for collecting contributions in respect of the personnel of the public-sector bodies registered with it:

- communes, public-sector establishments belong to them, and associations of communes,
- conurbations and federations of communes, and establishments belonging to them,
- Culture Commissions,
- regional development organisations,
- provinces and public-interest agencies belonging to them,
- public-interest agencies designated as such by the King,
- associations of some of these agencies.

These provisions therefore concern not only personnel of communes, provinces, and PSWCs, which form part of the general government sector (S.13) but also personnel of MCUs, hospitals and rest homes run by PSWCs, classified as non-financial corporations (S.11).

The overall cost to the employer is obtained by simply adding together various variables in the specific data file provided by the NSSOPLA:

Gross wages and salaries (D.11)

Gross wages and salaries are supplied for various categories of employees, viz. established staff, temporary staff, subsidised contract staff, students and other employees, covering:

- the wage bill subject to social contributions (including personal contributions)
- the wage bill not subject to social contributions (e.g. luncheon vouchers, personal share of payments for group insurances payments, reimbursement of the cost of commuting)
- double holiday pay (not included in the wage bill which is subject to contributions).
- overtime of subsidised contract staff.

Employers' actual social contributions (D.121)

These include:

- employers' contributions paid to the public sector, represented by the difference between total contributions and personal contributions. The latter are calculated by applying to the gross wages supplied above a personal contribution rate which is specific for the various types of remunerations and employees;
- employers' contributions for pensions, for established staff only.

Gross wages and salaries are combined with imputed social contributions (e.g. wages paid during sickness). It is not possible to isolate them. Employers' contributions for industrial accidents have to be added to actual contributions.

For enterprises covered by the NSSO, the industrial accidents scheme is financed from contributions to insurance enterprises (in this case, mainly the Mutual Public Insurance Association, Ethias) under a specific law. The amount of these contributions is known from the ISO report.

The remuneration estimate described above is restrained to units in sector S.11. Those in the general government sector (the majority, in this case) are an integral part of the calculation for that sector (S.13) on the basis of public-sector budgets (see below).

Certain hospitals and rest homes run by PSWCs are not identified as separate entities from the latter, so their wage bill is combined with that of the public sector. Data for reclassifying them correctly to non-financial corporations (S.11) are extracted from detailed files supplied by the NSSOPLA.

Local employment agencies (LEAs)

LEA workers are regarded as employed by local employment agencies, which the production units directory classifies among temporary enterprises (SUT 74E, Selection and supply of personnel) of the non-financial corporations sector (S.11). Wages paid to unemployed persons under LEA status are not covered by NSSO data⁸⁹, but their wages are estimated on the basis of hours of work recorded by the National Employment Office (ONEM) and the wage portion of each cheque (€ 4.1 per hour).

⁸⁹ Covering only these agencies' own staff.

Wages declared to the Seafarers' Relief and Contingency Fund (SRCF)

Merchant seafarers are covered by a special scheme funded by contributions collected by the SRCF, which provides data on flat-rate wages, actual wages and employers' social contributions.

Profit sharing

This is not recorded as remuneration in accounts. It is allocated a specific code: code 696 (distributable profits; other recipients). It is calculated on year t but paid in t+1 e.g. the profit sharing of 2003 appears in the annual accounts for 2002.

Redistribution of contributions to the benefit of SMEs

This is a "one-shot" operation in July of year t+1 on the basis of the contributions for year t whereby small enterprises (fewer than 20 employees) are granted a reduction in social contributions which is offset by an extra contribution from large entities. This information is supplied in a specific annual file.

Final adjustments to remuneration, sector S.11

2003 values (millions of euros)			
Wages in kind purchased	of which vehicles provided for employees' private use		239.1
	of which other non-wage benefits	+	462.7
Wages in kind produced		+	54.9
Gratuities/Tips		+	289.2
Undeclared labour		+	925.6
Wages declared to NSSOPLA		+	3 866.0
Special statuses (funded by S.13)		+	138.8
LEA		+	59.9
Wages declared to SRCF		+	22.3
Redistribution to SMEs		+	41.4
Profit sharing		+	33.3
Total		=	6 133.2

Total remuneration, S.11

2003 values (millions of euros)		
Intermediate D.1		89 543,2
D.1 final adjustments	+	6 133,2
D.1 total in S.11	=	95 676,4

4.8.3. Total remuneration: financial corporations (S.12)

4.8.3.1. Subsectors S.121, S.122, (NACE-BEL 65.11 and 65.12)

For subsector S.121 (National Bank of Belgium) remuneration is calculated from detailed information supplied by NBB's management control department. For subsector S.122 (Other monetary financial institutions) remuneration is extracted from the accounting schedules specific to these institutions (schedules A). This information is supplemented by the annual structure survey of credit institutions, particularly the "benefits in kind" heading showing the total amount of such benefits not recorded under "Remuneration, social contributions and pensions" (in particular, loan interest subsidies). The 2003 wage bills for S.121 and S.122 are 183.8 and 4 757.6 million euros respectively.

4.7.3.2. Subsectors S.123 and S.124 (NACE 67)

The calculation of the compensation of employees in S.123 (Other financial intermediaries, excluding insurance enterprises and pension funds) and S.124 (Financial auxiliaries, excluding insurance auxiliaries) follows the same principle as for S.11 (see section 4.7.2.2.1).

Intermediate D.1 (after first adjustments) for S.123 and S.124

		2003 values (millions of euros)	
		S.123	S.124
(1a) NSSO D.1 of enterprises for which accounting data are used		339.3	657.0
(2a) Direct use of accounting data		385.5	734.1
(1b) NSSO D.1 of enterprises for which NSSO data are used		82.8	254.8
(2b) NSSO D.1 revalued via accounting data	(1b)*(3)	89.0	273.1
(3) Average coefficient		1.075	1.072
(4) Intermediate D.1	(4)= (2a) + (2b)	474.5	1 007.2

Adjustments are applied to incorporate in the wage bill the industrial accident insurance premiums and to take into account the redistribution to SMEs.

Total remunerations: S.123 and S.124

	2003 values (millions of euros)	
	S.123	S.124
(4) Intermediate D.1	474.5	1 007.2
(5) Adjustments:		
wages in kind	5.7	11.8
contributions redistribution to SMEs	0.5	-2.4
(6) D.1 total	480.6	1 016.6

4.8.3.2. S.125: Insurance enterprises and pension funds (NACE 66)

Gross wages and salaries and actual and imputed social contributions by employers are calculated from accounting data supplied and/or published by the BFIC for supervised enterprises and from the respective annual reports for unsupervised enterprises.

- *Gross wages and salaries* are the sum of the headings "Remuneration" (8.12.111) and "Other staff expenditure" (8.12.14) and "staff profit sharing" (637.7) from the data in insurance enterprises' accounting schedules.
- Employers' social security contributions extracted from the NSSO data, and payments for non-statutory pensions taken from accounting data (codes 8.12.12 and 8.12.13), make up *actual social contributions*.
- *Imputed social contributions* are obtained by adding "Pensions" (code 8.12.112) and "Other direct social benefits" (code 8.12.113) from insurance enterprises' accounting schedules.
- An adjustment is made to the data for enterprises supervised by the BFIC to deduct personnel costs relating to establishments outside Belgium, on the basis of the structure survey (cf. also 3.16.2).
- An adjustment is also made, on the basis of NSSO and BFIC data, to incorporate industrial accident insurance premiums in the wage bill and to take account of SME redistribution (cf. 4.7.2.2.3).
- For the National Export Guarantee Commission (NECGO), independent and supplementary insurance by mutual organisations, the Joint Automobile Guarantee Fund (JAGF) and the Belgian Bureau of Automobile Assessors (BBAA), data on wages and contributions are taken from accounting records.
- For pension funds and small mutual insurance associations, personnel costs are calculated from NSSO data.

Intermediate D.1 calculation of S.125 remuneration on the basis of accounting data

	<i>Heading</i>	<i>Accounting code</i>		<i>2003 (millions of euros)</i>
Wages and salaries =	Remuneration	8.12.111		1 319.2
	+ other staff expenditure	8.12.14	+	67.4
	+ profit sharing	637.7	+	13.6
Actual contributions =	Employers' social security contributions	8.12.12	+	388.3
	+ non-statutory pension allocations	8.12.13	+	105.5
Imputed contributions =	Pensions	8.12.112	+	23.3
	+ other direct social benefits	8.12.113	+	47.2
Intermediate D.1			=	1 964.5

Total S.125 remuneration

<i>S.125 adjustments</i>	<i>Source</i>			<i>2003 (millions of euros)</i>
Intermediate D.1				1 964.5
Adjustments				-119.3
<i>Personnel abroad</i>	<i>Structure survey</i>		-	182.0
<i>NECGO</i>	<i>Accounts</i>		+	20.2
<i>Mutual optional and supplementary insurance</i>	<i>Accounts</i>		+	33.4
<i>JAGF & BBAA</i>	<i>Accounts</i>		+	3.9
<i>Pension funds and mutual organisations</i>	<i>NSSO</i>		+	5.2
D.1 total S.125		= intermediate D.1 + adjustments	=	1 845.2

The resulting D.1 amounts for S.12 are as follows (2003, millions of euros):

S.121	183.8
S.122	4 757.6
S.123	480.6
S.124	1 016.6
S.125	1 845.2
S.12	8 283.8

4.8.4. Total remuneration: general government (S.13)

As for all other aggregates in this sector, public-sector remuneration is extracted from public-sector accounts and budgets. For details, cf. 3.18.1, 3.19.3.1.2, and 3.3.3.3.

University employees are an exception. As they are not remunerated exclusively from public-sector budgets, their wages are estimated using NSSO data, according to the NSSO method used for wages in sector S.11.

Remuneration, S.13

SUT branches	<i>2003 (millions of euros)</i>
22A1	7.0
60B.3	858.3
63B.3	959.3
75A3	13 212.3
75B.3	2 335.5
75C3	1 116.3
80A3	14 925.9
90A3	34.4
92A3	315.9
Total S.13	33 764.9

4.8.5. Total remuneration: households (S.14)

The wage bill for employees in this sector is estimated primarily on the basis of NSSO data, supplemented by industrial accident insurance premiums (on the basis of percentages per branch of activity derived from the EEC quadrennial survey on the level and structure of labour costs⁹⁰), tips, wages in kind produced and undeclared wages paid by the self employed.

As in sector S.11, tips are a percentage of turnover, but in sector S.14 a distinction is made between units in this sector which do and do not have personnel. For units with personnel, the wage bill is

⁹⁰ The gathering of four-yearly labour cost data is based on Council Regulation (EC) No 530/1999 of 9 March 1999 on structural statistics concerning wages and labour costs. The result is detailed structural data on labour cost, hours worked and hours paid. The survey reference years are 1996, 2000 and 2004. All EU Member States, Norway and Iceland participate. The information provided is broken down by size of enterprise, economic activity (NACE) and by region for the largest countries. The data are gathered by national statistics agencies on the basis of stratified random samples of enterprises or local units which in most countries means units with at least ten employees. The stratification is based on economic activity, size category and region (where applicable).

increased in the same proportions as in sector S.11. The remainder of the tips is added to the gross operating result (tips to employers without personnel). Output is increased by the overall value of tips (cf. 3.3.1.2.2).

Wages in kind produced (cf. section 4.7.2.2.4), i.e. goods and services produced by enterprises and made available to their employees at below market prices, are estimated for the catering industry (hotels, restaurants etc). The wage benefit is estimated by the same formula as in S.11: unit benefit in euros in 2002 * number of persons concerned * frequency * price variation relative to base year 2002.

Undeclared wages paid by self-employed persons are estimated at a flat rate of 5% of remuneration known to NSSO.

The wages of all workers in branch SUT 95A4, Domestic services, which are only represented in sector S.14, are estimated when compiling the households account. The basic sources are the "Panel Study of Belgian Households" (conducted by Liège and Antwerp Universities) and DGSEI population statistics. The resulting estimate replaces incomplete results based on NSSO data for this branch of activity. Working time of less than four hours per day for the same employer, or twenty-four hours per week for one or more employers, is excluded from the scope of social security. This means that only a small proportion of these workers are included in the NSSO results.

Remuneration, S.14

S.14	Sources	2003 (millions of euros)	
NSSO returns	NSSO		2 010.2
Industrial accident premiums	ISO + EEC survey	+	21.8
Gratuities	INA estimate	+	42.1
Undeclared wages paid by self-employed	INA estimate		97.1
Wages in kind produced	INA estimate		5.7
Adjustment for domestic services (95A4)	INA estimate	+	842.7
Redistribution to SMEs	NSSO	+	-31.8
TOTAL, S.14		=	2 987.8

4.8.6. Total remuneration: NPISHs (S.15)

The calculation of total remuneration in S.15 is addressed elsewhere (cf. 5.8.3.1). The results are set out in the following table:

Remuneration, S.15

S.15		2003 (millions of euros)	
	<i>Sources</i>		
<i>Units classified to S.15</i>	NSSO		1701.3
<i>TLC, RPILM</i>	<i>Accounts of S.13</i>	+	47.6
<i>Ministers of religion</i>	<i>Accounts of S.13</i>	+	121.9
<i>Industrial accident insurance</i>		+	13.4
Total, S.15		=	1 884.2

4.8.7. Distribution of compensation of employees into wages and social contributions

Total remuneration for each sector has to be divided into gross wages and salaries (D.11), actual social contributions (D.121) and imputed social contributions (D.122).

Total actual social contributions (D.121) are determined within the framework of the accounts of general government (S.13), insurance enterprises and pension funds (S.125) and, very marginally, by those of autonomous pension funds (S.11). Imputed social contributions (D.122) are calculated from the results of the EEC quadrennial survey on the level and structure of labour costs, information collected at NSSO on severance payments and information on pensions paid directly by employers (code 624).

Once social contributions (D.121 and D.122) have been determined, gross wages and salaries (D.11) are represented by the difference between compensation of employees (D.1) and social contributions (D.121+D.122).

Actual social contributions (D.121)

The employers' actual social contributions are split up into social security contributions to general government (S.13) (primarily to the social security administrations) and to the other sectors, namely the insurance companies, pension funds (S.125) and self-governing pension funds (S.11). They correspond respectively to the variables D.6111 (employers' actual social contributions) of the secondary distribution of income accounts of the sectors S.11, S.13 and S.125. The totals for

these contributions being fixed, they must still be distributed between the sectors and the branches of activity.

Actual social security contributions to general government⁹¹

For sectors S.12, S.13 and S.15, actual social security contributions to general government and their breakdown by branch of activity are determined within the compilation of the accounts for these sectors⁹². In sector S.11, the amounts paid to agencies other than the NSSO (SRCF and NSSOPLA) are also known.

The contributions still to be distributed among S.11 and S.14 and their branches of activity are therefore equal to the code D.6111 total for S.13, less the D.121 amount for S.13 paid by sectors S.12, S.13 and S.15 and the D.121 amount paid to the SRCF and the NSSOPLA (portion paid by S.11).

This amount is broken down among S.11 and S.14 and their branches of activity in line with the breakdown of employers' contributions set out in the NSSO file.

Actual social contributions to S.13

2003 values (millions of euros)	
S.11	18 016.0
S.12	1 662.1
<i>S.121+S.122</i>	<i>1025.0</i>
<i>S.123</i>	<i>93.0</i>
<i>S.124</i>	<i>1 90.2</i>
<i>S.125</i>	<i>353.9</i>
S.13	3 450.9
S.14	353.0
S.15	349.8
Total	23 831.8

⁹¹ On employers' actual social contributions collected by general government, cf. 4.7.9.

⁹² The sources used are those already cited for the calculation of the total wage bill in these sectors. For RPILM and TLC employees in sector S.15, the employers contribute to all social risk cover. For ministers of religion, actual social contributions are 3.8% of salary (cf. also 5.8.3.1).

4.8.7.1.1. Actual contributions to insurance enterprises (S.125)

A distinction is made between the following types of contributions to the private sector (S.11 and S.125):

- contributions for industrial accident insurance;
- contributions for hospitalisation insurance;
- employers' share of contributions to group insurance and pension funds, including payments for statutory pensions of persons registered with the NSSOPLA.

4.8.7.1.1.1. Industrial accident insurance contributions

Sectors S.11, S.12, S.14 and S.15

This insurance is compulsory, but the risk is mainly covered by private insurance enterprises. Total payments appear in the annual report of the Insurance Supervision Office (ISO). The payments are broken down on the basis of the EEC survey on the level and structure of labour costs. It includes a variable representing these contributions and a variable representing the total remuneration by branch of activity, for the branches covered by the survey. The percentages obtained by comparing those two variables are extrapolated to all branches of activity. This makes it possible to construct a key for distributing the total amount among sectors and branches of activity.

Sector S.13

Industrial accident insurance contributions paid to insurance enterprises are obtained from public-sector accounts and budgets.

4.8.7.1.1.2. Non-statutory insurance premiums

The main forms of non-statutory insurance are hospitalisation insurance, group insurance and pension funds. The totals are available from the ISO report.

For sector S.12, annual statements or reports are the basic sources. They include a heading showing employers' premiums for non-statutory insurance.

For sector S.13, the amount of the contributions is obtained from public-sector accounts and budgets.

In sector S.15, the NSSO file variable "payments for non-statutory pension insurance" is used.

The amounts to be distributed among S.11 and S.14 for these two types of insurance are then obtained as a balancing item. The employers' share of contributions to group insurances and pension funds is broken down between the two sectors and the branches of activity, as is the social security contribution of 8.86% for these insurances (variable available in the NSSO file). Hospitalisation insurance and industrial accident insurance are broken down on the basis of a variable representing these payments in the EEC survey.

Social contributions to S.125

2003 values (millions of euros)	
	Total
S.11	4 030.7
<i>S.121+S.122</i>	311.5
<i>S.123</i>	29.9
<i>S.124</i>	60.4
<i>S.125</i>	110.1
S.12	511.9
S.13	333.5
S.14	34.4
S.15	36.0
Total	4 946.5
of which: Industrial accidents	1 018.0
Hospitalisation	416.1
Group insurances	3 512.4

Total actual social contributions break down as follows:

Actual social contributions

2003 values (millions of euros)	
	Total
S.11	22 046.7
<i>S.121+S.122</i>	1 336.5
<i>S.123</i>	122.9
<i>S.124</i>	250.6
<i>S.125</i>	464.0
S.12	2 174.0
S.13	3 784.4
S.14	387.4
S.15	385.8
Total	28 778.3

4.8.7.2. Imputed social contributions (D.122)

For sectors S.12 (except S.123+S.124) and S.13, imputed social contributions are taken from the accounts of these sectors (sources: annual accounts and reports for S.12 and public-sector accounts and budgets for S.13).

The NSSO collects information on severance payments in the majority of the other sectors, viz. S.11, S.123, S.124 and S.14 and on pensions paid directly by employers (code 624) in the first three of these sectors. This information is supplemented from the quadrennial EEC survey on the structure and level of labour costs, making it possible to calculate a ratio between imputed social contributions (D.122) and remuneration of employees (D.1) in the branches of activity covered by the survey. The resulting percentages are extrapolated to all branches of activity combined. These coefficients are then applied to the total calculated remuneration in these sectors, after deducting severance payments.

"Large enterprises" are subjected to particular treatment in sector S.11. They often self-insure for industrial accidents, pensions and sometimes other social benefits. The amounts of the corresponding payments appear in their annual reports and accounts.

For sector S.15 (see section 5.8.3.1.1), imputed social contributions of the entities covered by NSSO are unknown and are estimated by branch of activity on the basis of D.122/D.1 ratios derived from the NPA structure survey. RPILM and TLC workers are assumed not to receive direct social benefits from their employer. The imputed social contributions to ministers of religion are extracted from the S.13 account.

Imputed social contributions

2003 values (millions of euros)

S.11	2 602.0
S.12	167.2
<i>S.121+S.122</i>	64.1
<i>S.123</i>	10.6
<i>S.124</i>	27.7
<i>S.125</i>	64.8
S.13	6 076.8
S.14	36.0
S.15	101.8
Total	8 983.8

Wage bill and its components by sector

2003 values (millions of euros)	D.1	D.11=D.1- D.12	D.12=D.121 +D.122	D.121	D.122
S.11	95 676.4	71 027.7	24 648.7	22 046.7	2 602.0
<i>S.121+S.122</i>	<i>4 941.4</i>	<i>3 540.8</i>	<i>1 400.6</i>	<i>1 336.5</i>	<i>64.1</i>
<i>S.123</i>	<i>480.6</i>	<i>347.1</i>	<i>133.5</i>	<i>122.9</i>	<i>10.6</i>
<i>S.124</i>	<i>1 016.6</i>	<i>738.3</i>	<i>278.3</i>	<i>250.6</i>	<i>27.7</i>
<i>S.125</i>	<i>1 845.2</i>	<i>1 316.4</i>	<i>528.8</i>	<i>464.0</i>	<i>64.8</i>
S.12	8 283.8	5 942.6	2 341.2	2 174.0	167.2
S.13	33 764.9	23 903.7	9 861.2	3 784.4	6 076.8
S.14	2 987.8	2 564.4	423.4	387.4	36.0
S.15	1 884.2	1 396.6	487.6	385.8	101.8
Total	142 597.1	104 835.0	37 762.1	28 778.3	8 983.8

4.8.8. Employers' actual social security contributions received by general government (S.13)

4.8.8.1. Description of basic data

In the economic regrouping, social contributions appear under code 37 - Direct taxes and contributions paid to social security administrations. This group mainly includes regular taxes on income or capital, the calculation of which generally takes the taxpayer's situation into account (family expenses, residence, nature of activity, etc.).

Withholding taxex on movable assets and property taxes are therefore direct taxes. If certain criteria are met, they are part of income tax. The single tax on capital, inheritance duties and other similar extraordinary taxes are classified as capital transfers.

In principle, direct taxes are divided as follows:

37.1 Direct taxes on enterprises, credit institutions and insurance enterprises

Corporation tax falls within this group.

37.2 Direct taxes on households and private NPISHs (non profit institution serving households)

This group includes taxes on private bodies serving households and taxes on households, including retailers, craftsmen, members of the professions etc.

37.3 Social security contributions payable by government as employer

37.4 Social security contributions from other employers

- 37.5 Social security contributions from employees
- 37.6 Withholdings for the Survivors' Pension Fund
- 37.7 Other compulsory contributions

4.8.8.2. Calculation of employers' actual social security contributions received by general government (S.13)

The majority of social security schemes are run by an institutional unit classified to the social security administrations sector (S.1314), although there are exceptions.

Actual social contributions from employers by recipient sector

<i>2003 values (millions of euros)</i>		
Federal Government (S.1311)		
Contributions to semi-state bodies pool		194.3
Postal Service contributions		+ 69.5
Integrated Police Pensions Fund		+ 269.8
Liability levy		+ 29.7
Employment fund		+ 47.9
<i>Subtotal</i>		= 611.2
Communities and Regions (S.1312)		
VRT pension fund		19.9
<i>Subtotal</i>		= 19.9
Local authorities (S.1313)		
East Flanders Province pension fund		1.6
<i>Subtotal</i>		= 1.6
Social security agencies (S.1314)		
Employers' contributions to main schemes		21 277.1
Maribel scheme		+ 523.7
Employers' contributions to social protection funds and business closures fund		+ 1 072.8
Employers' contributions to municipal pension schemes		+ 325.5
<i>Subtotal</i>		= 23 199.1
Total		23 831.8

4.8.9. Concise overview of calculation methodology for paid employment

4.8.9.1. Sources

The main information sources for the estimation method are:

- NSSO statistics by enterprise (employees);
- NSSOPLA statistics by entity (employees of provincial and local authorities);
- supplementary information on seafarers, domestic staff, LEA contract employees, miners, embassy staff, working students (separate data from NSSO and from NSSOPLA), double counts between administrative sources, and frontier-zone workers.

4.8.9.2. Compilation

4.8.9.2.1. Employment in terms of number of persons

The present form of NSSO statistics by enterprise make it possible to adopt a paid employment approach entirely comparable with that used for estimating the other aggregates of the national accounts.

Thus the paid employment figures are obtained by aggregating individual data of enterprises on number of employees, taken mainly from the NSSO and NSSOPLA databases, according to the characteristics (branch of activity and institutional sector) set out in the directory of production units, so as to ensure consistency of results.

An adjustment is made to avoid counting twice employees who are registered with both the NSSO and the NSSOPLA. This adjustment is based on using their national registration number to harmonise persons covered by the workforce survey and their registration with the two social security agencies: for each branch of activity, the proportion of workers registered with both agencies is extrapolated to, and deducted from, the actual population of the NSSO files.

An additional adjustment is made to avoid double counting between employment and self-employment: information from the social security *Banque Carrefour* is used to eliminate those whose employed activity is secondary to a self-employed main activity.

The information obtained from the NSSO and the NSSOPLA still does not entirely correspond to national accounts concepts.

The number of employees obtained so far needs three additions:

- employees outside the general social security system or covered by other social security agencies (seafarers, domestic staff, LEA contract workers⁹³, miners etc.), for whom an estimate is made on the basis of supplementary statistical information (other administrative sources, surveys etc.);
- working students, who are recorded in a distinct NSSO variable and a separate NSSOPLA file;
- undeclared labour, estimated in a manner consistent with the adjustments made in the calculation of value added and wage bill in the national accounts.

The total of these various categories represents internal paid employment. In the particular case, it is an estimate of the stock of employment at the end of each quarter, affording the advantage of eliminating inward and outward movements during the quarter.

The national accounts relate the employment statistics to such flow variables as value added and wage bill, so the quarter-end situation cannot be regarded as representative of the quarter. ESA 1995 recommends using a quarterly average. In the Belgian national accounts this is taken to be the arithmetical mean of the situations at the beginning and end of the quarter. The annual average is the average of the four quarterly averages.

Paid employment

	2003 (thousands of persons)
(1) Number of persons in paid employment based on administrative data	3 438
<i>token entry: self-employed</i>	679
(2) Adjustments to ESA concepts	
<i>Transition from end to average of quarter</i>	-1
<i>Employees outside general social security system or covered by other social security agencies</i>	20
<i>Working students</i>	18
<i>Undeclared labour</i>	77
<i>Elimination of double counts</i>	-36
<i>Other adjustments⁹⁴</i>	-50
(3) Paid domestic employment in terms of number of persons based on national accounts	3 466
<i>token entry: self-employed</i>	679

National paid employment is arrived at by adding the balance of frontier-zone workers.

⁹³ LEA: local employment agency.

⁹⁴ Some data in the original sources are incomplete or unreliable or have to be disregarded.

4.8.9.2.2. Work volume in hours

The situation when it comes to calculating the volume of work by employees is different from the calculation of employment: of the sources used for the latter, only the NSSO files provide information (incomplete) on the number of hours worked. Exhaustive estimation of total hours worked therefore involves an appropriate coefficient for transition from the amount of employment in terms of number of persons to the volume of work measured in hours. More precisely, estimating the number of hours worked is based on calculating, on the basis of NSSO individual statistics by enterprise, multiplier coefficients applicable at the most detailed level (116 branches of activity spread over 12 institutional sectors) to the statistics on the number of paid employees to arrive at the number hours worked. Distinctions are made between full-time and part-time work and between manual and clerical work, in the light of available information.

The transition coefficients are obtained by estimating the number of hours declared to the NSSO and dividing by the number of persons who appear in the same files.

The calculations are applied to the NSSO quarterly data. The annual results are obtained by aggregating the quarterly results.

An adjustment is made at the most detailed level to take undeclared labour into account consistently with the way this is done for the other aggregates of the national accounts (value added, wages and employment).

The number of hours worked is directly affected by the number of working days, customary arrangements for holidays, etc., resulting in great sensitivity to seasonal variation and calendar effects and involving appropriate adjustments to arrive at the published series.

Work volume of employees

	2003
(1) Average time worked per employee based on administrative data (hours)	1 229
(2) Adjustments to ESA (hours)	
Annual holidays, public holidays and sickness (estimated)	183
Undeclared labour	12
Adjustment for seasonal variations and calendar effects	1
(3) Average time worked per employee based on national accounts (hours)	1 425
(4) Total work volume of employees (millions of hours)	4 938
= (number of employees)*(hours per employee) = (3.466)*(1425)	

4.9. OTHER TAXES ON PRODUCTION (D.29)

The calculation of other taxes on production (D.29) is explained elsewhere (cf. 3.24). Other taxes on production (D.29) are calculated as a balancing item.

The tax on income from immovable assets is regarded as a tax on production and imports as in section 4.23.a) and not as a current tax on income, wealth, etc. It is a tax on land, buildings and equipment. The portion relating to land and unoccupied buildings not involved in any production process cannot be eliminated but is quite small.

	Data for 2003 <i>(millions of euros)</i>	Federal Govern- ment (S.1311)	Commu- nities and Regions (S.1312)	Local autho- rities (S.1313)	Social security admins. (S.1314)	EU insti- tutions (S.212)	Total (S.13 + S.212)
D.29	Other taxes on production	326.7	1 033.1	3842.3	106.6	0.0	5 308.7
D.29 A	Taxes on land, buildings and other structures	5.5	236.7	3395.8	0.0	0.0	3 638.0
	Tax on income from immovable property (natural persons)	0.0	109.2	2264.2	0.0	0.0	2 373.4
	Tax on income from immovable property (enterprises)	0.0	55.2	1131.6	0.0	0.0	1 186.8
	Opening fee	0.0	3.6	0.0	0.0	0.0	3.6
	Business licence fee	5.5	0.0	0.0	0.0	0.0	5.5
	Regional tax (BCR) (from 2002, only regional tax on property owners)	0.0	68.7	0.0	0.0	0.0	68.7
D.29 B	Taxes on the use of fixed assets	87.6	505.6	37.9	0.0	0.0	631.1
	Road fund tax paid by enterprises	0.0	379.3	37.9	0.0	0.0	417.2
	Tax on gaming machines	0.0	44.8	0.0	0.0	0.0	44.8
	Eurovignette	0.0	81.5	0.0	0.0	0.0	81.5
	Tax treated as excise duty paid by enterprises	87.6	0.0	0.0	0.0	0.0	87.6
D.29 C	Taxes on payroll or workforce	22.0	0.0	0.0	0.0	0.0	22.0
	Tax on coordination centres	22.0	0.0	0.0	0.0	0.0	22.0
D.29 D	Taxes on international transactions	0.0	0.0	0.0	0.0	0.0	0.0
D.29 E	Taxes on commercial or professional authorisations	0.0	0.0	0.0	0.0	0.0	0.0
D.29 F	Pollution taxes	0.0	228.3	0.0	0.0	0.0	228.3
	Industrial waste taxes (FR and WR)	0.0	74.8	0.0	0.0	0.0	74.8
	Slurry tax (FR)	0.0	4.0	0.0	0.0	0.0	4.0
	Water taxes (FR, WR and BCR)	0.0	149.5	0.0	0.0	0.0	149.5
D.29 G	VAT under-compensation	0.0	0.0	0.0	0.0	0.0	0.0
	VAT under-compensation	0.0	0.0	0.0	0.0	0.0	0.0
D.29 H	Other taxes on production n.e.c.	211.6	62.5	408.6	106.6	0.0	789.3
	Annual patent fees	7.1	0.0	0.0	0.0	0.0	7.1
	Monopoly rent (Belgacom)	0.0	0.0	0.0	0.0	0.0	0.0
	Monopoly rent (national lottery)	73.5	0.0	0.0	0.0	0.0	73.5
	Single levy on enterprises	0.0	0.0	0.0	101.0	0.0	101.0
	Clinical biology refund	0.0	0.0	0.0	5.6	0.0	5.6
	Radio/TV licence fees (CF, CF and CG: in part)	0.0	0.0	0.0	0.0	0.0	0.0
	Special levy on electricity producers	0.0	0.0	0.0	0.0	0.0	0.0
	Single levy on petroleum sector	21.0	0.0	0.0	0.0	0.0	21.0
	Other taxes on production	110.0	62.5	408.6	0.0	0.0	581.1

For the attribution of D.29 to SUT branches of activity: cf. 4.1.

4.10. OTHER SUBSIDIES ON PRODUCTION (D.39)

The calculation of other subsidies on production (D.39) is explained elsewhere (cf. 3.26): other subsidies on production (D.39) are calculated residually.

The most substantial items are wage subsidies and interest subsidies.

	Data for 2003 in millions of euros	Federal Govern- ment (S.1311)	Commu- nities and Regions (S.1312)	Local auto- rities (S.1313)	Social security admins. (S.1314)	EU insti- tutions (S.212)	Total (S.13 + S.212)
D.39 Other subsidies on production	161.4	971.7	322.0	747.7	12.0	2 214.8	
ONDRAF subsidies	18.9	0.0	0.0	0.0	0.0	0.0	18.9
RTM subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies to mutual organisations for minor risk insurance for the self-employed	54.5	0.0	0.0	0.0	0.0	0.0	54.5
TLC, RPILM and other statuses redirected from S.15 to S.11	0.0	138.8	0.0	0.0	0.0	0.0	138.8
Contractual wage subsidies for hospitals	0.0	0.0	0.0	114.0	0.0	0.0	114.0
Unempl. benefit capitalisation subsidies	0.0	0.0	0.0	105.9	0.0	0.0	105.9
Service cheques (Law of 2002)	0.0	0.0	0.0	4.1	0.0	0.0	4.1
Income tax withheld by employers	7.5	0.0	0.0	0.0	0.0	0.0	7.5
SFSHL losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BNR interest subsidies	13.7	0.0	0.0	0.0	0.0	0.0	13.7
Postal Service interest subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FEER agricultural interest subsidies	5.9	0.0	0.0	0.0	0.0	0.0	5.9
Agricultural Fund interest subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest subsidies n.e.c.	-16.7	119.6	0.0	0.0	0.0	0.0	102.9
Subsidies on wages of disabled persons	0.0	241.1	0.0	0.0	0.0	0.0	241.1
CAP European subsidies	0.0	0.0	0.0	0.0	12.0	0.0	12.0
National agricultural subsidies	0.0	5.0	0.0	0.0	0.0	0.0	5.0
VAT over-compensation	8.9	0.0	0.0	0.0	0.0	0.0	8.9
MARIBEL scheme - non-market sector	0.0	0.0	0.0	523.7	0.0	0.0	523.7
Subsidies to multi-commune waste management utilities	0.0	0.0	138.1	0.0	0.0	0.0	138.1
PSWC rest homes deficit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other subsidies on production n.e.c.	68.7	467.2	183.9	0.0	0.0	0.0	719.8

For the attribution of D.39 to SUT branches of activity, cf. 4.1.

4.11. GROSS OPERATING SURPLUS

As can be seen from the above description, the gross operating surplus (B.2g) is calculated residually (cf. 4.1.1).

4.12. MIXED INCOME

As can be seen from the preceding description, the gross operating surplus (B.2g) is calculated as a balancing item (cf. 4.1.1).

There follows a brief description of the estimation of the number of self-employed.

4.12.1. Concise overview of calculation methodology for self-employment

Calculating self-employment in terms of number of persons involves two aspects depending on whether the self-employment is by way of main activity or in a caring capacity⁹⁵.

Self-employment as main activity

The number of self-employed is obtained directly from the statistics of the social insurance agency for the self-employed (INASTI).

The two categories adopted out of the various ones proposed by INASTI (self-employment as main activity or as supplementary activity, work after pension age, caring as main activity and caring as supplementary activity) are persons engaging in self-employment as main activity and pensioned workers.

We add hosting parents⁹⁶, a new category of workers, who although engaging in a self-employed activity, have been recorded by the NSSO and NSSOPLA since 2003.

Breakdown by SUT branch of activity is mainly based on a key compiled from VAT data for the activities in which this source is representative, supplemented by information from the Federal Economy Ministry (formerly NSI) on agriculture and from INASTI on the professions.

⁹⁵ Physical person (e.g. spouse) helping or deputising for a self-employed person without doing so under an employment contract.

⁹⁶ Defined the NSSO as "physical persons who organize child care for a few children in a dwelling equipped for doing so within a family context".

Careers

Self-employment also includes carers, whether remunerated or not. For both types of carer, the Federal Ministry of Employment, Labour and Social Concertation provides, based on information from the Federal Economy Ministry (formerly NSI) and INASTI, data by branch of activity at 30 June as from 1999 (an earlier series is available from 1979). These data are used to determine both total employment in these categories and their distribution among 60 branches of activity⁹⁷.

⁹⁷ Distribution by SUT branch is pro rata to that of persons self-employed as main activity.

4.13. CONSUMPTION OF FIXED CAPITAL

This is estimated on the basis of capital stock. As there is no direct information about the latter, it is estimated by the perpetual inventory method.

4.13.1. Fixed capital consumption calculation based on perpetual inventory method

Perpetual inventory is a method for estimating gross capital stock by means of historical series on the gross fixed capital formation, average lives of fixed assets and mortality and survival functions. Net capital stock can be estimated by applying depreciation functions.

The results of this method make it possible to ascertain fixed capital consumption by branch of activity (A31) and by product (Pi7).

4.13.1.1. Historical series for gross fixed capital formation (GFCF)

The model used by Belgium requires series at least as long as double the average life of fixed assets. This entails GFCF extrapolations based mainly on two sources:

- the GFCF series of the national accounts according to ESA 1979 (for the period 1970-1994);
- the GFCF series compiled by the Federal Plan Bureau for the earlier estimates of capital stock (for the period 1853-1969).

A GFCF series was thus estimated for the period 1853-2003, at year 2000 prices, at the level of 31 branches of activity and 6 products. From 1995 onwards, the GFCF of computer software was also estimated, so the series is available with detail of 7 products.

4.13.1.2. Average lives

Average lives are estimated by branch of activity (A31) and by product (Pi7). They are based on combining the earlier life estimations used by the Federal Plan Bureau and the European "best practice" developed by the Dutch Central Bureau for Statistics (CBS). The resulting average lives are compared with international averages⁹⁸ by product and by branch. Any Belgian average lives that deviate greatly from the international averages are adjusted.

⁹⁸ Cf. the OECD publication " Methods Used by OECD Countries to Measure Stocks of Fixed Capital" , in the series " National Accounts: Sources and Methods" , 1993, Paris.

Such an adjustment is applied to "metal products and machines" (Pi2) in the industrial branches of activity. The average lives used previously reflected more accurately the reality of industrial activities in the 1970s and 1980s but failed to do so during the rapid industrial changes of the 1990s. New reference values were therefore established for average lives, at the same level as the average of 13 other countries (the main west European countries, the USA, Canada, Australia and Japan). These new reference values have been progressively affecting the estimates from 1985 onwards. Specifically, from 1985 onwards the earlier reference values for the lives of "metal products and machines" are reduced by one year per annum until they reach the new reference values for industrial branches of activity.

4.13.1.3. Mortality function

Belgium uses a mortality function of the bell curve type: a log-normal probability density function. The survival function is derived from this log-normal function which makes it possible to determine which portion of the GFCF produced at a certain period survives at each subsequent period.

4.13.1.4. Depreciation function

As recommended by ESA 1995, fixed capital consumption is calculated by linear depreciation whereby the value of assets is depreciated uniformly over their life according to a linear function.

4.13.2. Fixed capital consumption of non-market branches of activity

Output of non-market branches of activity is estimated on the basis of production costs which include fixed capital consumption. The perpetual inventory method can only estimate fixed capital consumption by A31 branch of activity. This level of detail does not separate the non-market branches, so an investment series specific to sector S.13 was developed with a view to using the perpetual inventory method for defining its capital stock and fixed capital consumption by sector and branch of activity. In sector S.15, the fixed capital consumption of its various branches of activity is arrived at on the basis of their proportion of the cumulative investments of the A31 branches of activity concerned. This method is also used for estimating the capital consumption of the other sectors S.11, S.12 and S.14.

4.13.2.1. Fixed capital consumption of S.13

This is estimated on the basis of the perpetual inventory method described above.

Average lives for general government and by product (Pi7) are as follows:

- Pi1 = products of agriculture, forestry and fishing: 3 years
- Pi2 = products of the engineering industry: 15 years
- Pi3 = means of transport: 8 years
- Pi4 = housing: not applicable
- Pi5 = other construction work and civil engineering:
 - o 60 years for purchased buildings and new buildings
 - o 55 years for roads (as recommended by the GNI Committee)
 - o 70 years for maritime and inland waterway works
 - o 60 years for other construction works
- Pi6 = other products: 7 years
- Pi7 = computer software: 3 years.

For want of resources, the situation for this sector in 2003 is a "hybrid" one. Data from the annual accounts of enterprises (regional transport companies) were used in combination with the results of the perpetual inventory method.

This situation will be rectified in due course.

4.13.2.2. Fixed capital consumption of S.15

This is estimated on the basis of the perpetual inventory method results obtained by branch A31. The share of S.15 in the fixed capital consumption of these branches is estimated on the bases of this sector's share in the cumulative investments of each branch concerned.

4.12.3 Amounts

2003 data (millions of euros)	
A17 branches	K.1
A	773.5
B	22.9
C	52.0
D	8 173.0
E	2 214.8
F	1 221.9
G	3 740.1
H	715.0
I	6 371.1
J	2 419.4
K	12 191.3
L	1 562.3
M	1 131.3
N	1 222.0
O	1 185.9
P	0.0
Total	42 996.5
of which S.13	4 678.6
of which S.15	99.5

5. THE EXPENDITURE APPROACH

5.1. GDP ACCORDING TO THE EXPENDITURE APPROACH

The importance of the various expenditure components is summarised in the following table.
2003 (millions of euros)

P.3	Final consumption expenditure	210 051.9
P.3_S.14	Final consumption expenditure by households	144 329.1
	<i>Final domestic consumption expenditure</i>	<i>141 475.0</i>
	<i>Final consumption expenditure by resident households abroad (P.33)</i>	<i>8 644.6</i>
	<i>Final consumption expenditure by non-resident households in the belgian economic territory (P.34) (-)</i>	<i>5 790.5</i>
P.3_S.15	Final consumption expenditure by NPIs	2 447.9
P.3_S.13	Final consumption expenditure by the general government	63 163.1
P.31_S.13	<i>Final individual consumption expenditure by general government</i>	<i>38 160.1</i>
P.32_S.13	<i>Final collective consumption expenditure by general government</i>	<i>25 003.0</i>
P.5	Gross capital formation	52 466.3
P.51	gross fixed capital formation	51 656.0
P.511	acquisitions less disposals of tangible fixed assets	48 350.0
P.512	acquisitions less disposals of intangible fixed assets	3 306.0
P.513	additions to the value of non-produced non-financial assets	0
P.52	changes in inventories	810.3
P.53	acquisitions less disposals of valuables	
P.6-P.7	Net exports of goods and services	12 139.6
P.61	exports of goods	181 297.3
P.62	exports of services	41 177.3
P.71	imports of goods	171 625.1
P.72	imports of services	38 709.9
GDP		274 657.8

5.2. REFERENCE FRAMEWORK

The final consumption expenditure by households calculation is mainly based on the household budget survey and on administrative data. These sources are discussed further below (cf. 5.7.1).

Final consumption expenditure by general government is estimated thanks to administrative sources (cf. 5.9). As regards final consumption expenditure by Non-profit institutions serving

households (P.3_S.15), this is extrapolated by combining administrative data and the results of the structure survey of NPAs (cf. 5.8).

To estimate *gross capital formation* three main sources are used: the annual accounts from the Central Balance Sheets Office of the National Bank of Belgium, the VAT returns and the structure survey (cf. 5.10.1).

The amounts of the *imports and exports* of goods and services are based on the data in the balance of payments drawn up by the National Bank of Belgium. General information on the balance of payments is dealt with under the exports of goods section (cf. 5.15).

5.3. VALUATION

Final consumption expenditure is valued in the various sources at purchasers' price. Gross fixed capital formation is valued at purchasers' price (for self-produced computer software, cf. 5.11.1.2).

The valuation of imports and exports is dealt with below (cf. 5.15).

5.4. TRANSITION FROM ADMINISTRATIVE TO ESA 1995 CONCEPTS

Any adjustments relating to the transition from administrative aggregates to ESA 1995 concepts are dealt with under the respective expenditure components analysis framework.

5.5. THE ROLE OF DIRECT AND INDIRECT METHODS

The various components of the expenditure approach can be estimated using direct or indirect methods. Direct methods are methods based on sources directly giving the amount of the variable to be estimated. They include variables coming directly from the results of surveys or from administrative data. Indirect methods correspond to all other methods. The various methods likely to be used are set out in the table below.

<u>Methods</u>	<u>Abbreviation</u>	<u>Sources</u>	<u>Abbreviation</u>
<u>Direct methods:</u>			
Survey	S	Household Budgets Survey Other surveys	HBS S
Administrative	AD	Annual reports Public administration budget VAT administration Balance of payments Other administrative sources	AR PUB VAT BP AD
<u>Indirect methods:</u>			
Commodity flow	CF	Supply and use table	SUT
Extrapolation base year	IPQ	Estimate of price x volume based on various survey or administrative sources	Miscellaneous
Extrapolation direct measurement	VPQ	Estimate of price x volume based on various survey or administrative sources	Miscellaneous

The table below summarises the methods and sources used to estimate the various expenditure components⁹⁹.

Expenditure	Method	Source
P.31_S.13	AD	PUB
P.32_S.13	AD	PUB
P.3_S.14	S AD CF IPQ VPQ	HBS PUB/BP SUT S/VAT/AD S/VAT/AD
P.3_S.15	S AD	S AD
P.51	S AD	S AR/VAT
P.52	S AD	S AR
P.6, P.7	AD	BP

⁹⁹ As regards final consumption expenditure of households, cf. 5.7. for a summary table broken down by product.

5.6. DIRECT MEASUREMENT AND EXTRAPOLATION

Expenditure	Product		Method	Basis
P.3_S.14	(*)		Direct	
			Extrapolations	2001
P.3_S.15	All SUT products		Direct	
P.31_S.13	All SUT products		Direct	
P.32_S.13	All SUT products		Direct	
P.51				
	SUT 45B01	dwellings	Extrapolations	2001
	other SUT products		Direct	
P.52	all SUT products		Direct	
P.6_P.7	all SUT products		Direct	

(*) Cf. 5.7 for a detailed description per product.

5.7. EXHAUSTIVENESS

For the various expenditure components all possible sources are used to obtain an initial estimate of the expenditure per product in the supply and use table.

5.8. FINAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS (P.3_S.14)

Estimating the final consumption expenditure of households involves two stages. In the first one, a basic estimate is made for each product according to the internal concept of final consumption expenditure of households (including expenditure of foreigners in Belgium and excluding expenditure of Belgians outside Belgium). In the second stage, adjustments are made when validating the basic estimates, when balancing the GDP output and expenditure perspectives and when balancing the supply and use tables by product.

5.8.1. Sources

Estimating the final consumption expenditure of households is based on several sources of data:

- the HBS;
- administrative data (general government, professional federations, balance of payments);
- specific surveys (structure survey of insurance enterprises, structure survey of financial institutions, "Panel Study of Belgian Households" for housing services).

5.8.1.1. Household Budget Survey (HBS)

The HBS is organised by the NSI as an annual survey (since 1995) of a sample of nearly 3 700 households selected in a random way from population registers. The sample is formed in such a way that it is representative of the various population groups, taking into account such criteria as the place of residence, the socio-occupational status of reference person, his or her age, and the number of persons in the household (cf. 11.3.1).

The raw data provided by the GDSEI are processed in various ways for national accounts purposes, briefly as follows:

1. Annual average expenditure calculated by household is extrapolated to the total population of Belgian households (approximately 4 million resident households).
 2. Equivalences are established between the various nomenclatures used in the national accounts (cf. 10.3): nomenclature used for SUT tables, classification by consumption functions (COICOP) and Purchasing Power Paritiesnomenclature(PPP).
 3. A breakdown of imprecise survey headings such as "various expenditure" and "pocket money" has also to be made, which involves identifying the goods and services most likely to be concerned. These are mainly food and drink, tobacco, clothing, cultural services, miscellaneous small expenditure (presents, bookshops etc.) hotels and restaurants.
 4. Adjustments to realize in line with GNP committee recommendations on the use of the HBS in the national accounts are carefully examined. Appropriate adjustments are made for differences in population (collective households and non-residents) and in definitions and concepts.
 - 4.1 The HBS provides an estimate of the final consumption of private households ('individual' households) which has to be supplemented by the final expenditure of collective households. Various types of administrative data¹⁰⁰ are used to estimate the total number of collective households, i.e. mainly the number of persons living in rest homes, in religious orders, in hospitals (on a permanent basis) and in Belgian prisons. An approximation of their overall consumption expenditure is obtained by multiplying this number of persons by an estimate of their daily expenditure. The overall adjustment is then distributed among the main expenditure headings most likely to cover the products consumed by collective households. Expenditure particularly concerned are food, clothing and health care.
- The estimated expenditure of collective households comprises only the additional private expenditure which persons in collective households are likely to have. The cost of stays in

¹⁰⁰ E.g. NSI, Ministry of the Walloon Region, Ministry of the Flemish Community, Ministry of Justice, French-speaking Brussels Mental Health League (LBFSM).

rest homes is completely separate from this estimate and falls under the heading "85C01 Social work activities, market sector" in the SUT table.

- 4.2 The HBS provides data which match the national concept of final consumption (final consumption by Belgian households). The figures have to be converted from the national concept to the interior concept of final consumption (final household consumption on Belgian territory) by using balance of payments data. Tourist expenditure abroad by resident households is excluded from the HBS, whereas non-residents' expenditure in Belgium - taken from the balance of payments - is added to the final consumption of resident households in Belgium. To break down the adjustment linked to the interior concept of final consumption, we break down tourist expenditure abroad by resident households in Belgium.
- 4.3 Differences in definitions and concepts between the HBS and the recording methods of ESA 1995 are examined. Any expenditure recorded in the survey that cannot be treated as final consumption expenditure is excluded from the estimate, e.g. contributions paid to associations (D.75 "Current transfers"), fees to architects (P.51 "Gross fixed capital formation"), death duties (D.91 "Taxes on capital") and various taxes levied by local authorities (D.59 "Other current taxes").

In applying ESA 1995 in Belgium, the HBS is one of the main sources of data for calculating final consumption expenditure of households, but its use has been compromised in recent years by:

- delay in delivery of survey results (HBS 2002 delivered at month t+18, HBS 2003 at month t+34 and HBS 2004 at month t+31);
- too much variation in the survey reference population extrapolated on the basis of the workforce survey;

Year	2000	2001	2002	2003	2004
Number of extrapolated households (1)	4 259 858	4 268 302	4 100 320	4 170 633	4 068 598
Average persons per household (2) Survey population (1) x (2) (Annual variation)	2.44 10 394 054 0.20 %	2.44 10 414 657 0.20 %	2.50 10 250 800 -1.57 %	2.48 10 343 170 0.90 %	2.48 10 090 123 -2.45 %
Number of private households (population census) (*) (Annual variation)	4 237 773	4 277 670	4 319 040	4 361 885	4 402 307
Number of persons (population census) (*) (Annual variation)	10 239 085	10 263 414 0.24 %	10 309 725 0.45 %	10 355 844 0.45 %	10 445 852 0.87 %

(*) Situation at 01 January each year

- following the introduction of the euro, there is a problem of estimating final consumption expenditure of Belgian households abroad in 2000 to 2003. From 2004 there are figures for

expenditure by country of purchase, but there remain substantial differences between the survey's estimates and those of the balance of payments.

5.8.1.2. Administrative data

The HBS is not the only source of data used in the SUT table. All administrative data likely to provide quality information are used:

- excise duties on purchases of beverages and tobacco (Ministry of Finance);
- statistics supplied by Ministries: vehicle registrations, transport by air and sea (Federal Mobility Ministry), hotel overnights and other short-duration accommodation, energy consumption (Federal Economy Ministry);
- statistics supplied by professional federations: gas, electricity, petroleum and water producers and distributors, Belgian Automotive and Cycle Industry Federation (FEBIAC), Music Recording Industry Federation, Belgian Tour Operators Association (ABPTO);
- statistics from supervisory bodies such as the Electricity and Gas Commission (CREG), the Belgian Institute of Posts and Telecommunications (IBPT) and the Banking, Finance and Insurance Commission (BFIC);
- consumer price indices calculated by the Federal Economy Ministry;
- population and housing census (Federal Economy Ministry);
- detailed annual accounts and operating reports of BNR and gaming enterprises;
- annual accounts of insurance enterprises and schedules A filed by banks;
- accounting of general government;
- turnover declared for VAT by retail trade, hotels, restaurants, hairdressers and all other branches of activity in which households are the main customers.

5.8.1.3. Specific surveys

As well as HBS and administrative data, estimates arising from specific surveys are also used:

- structure survey of insurance companies;
- structure survey of financial corporations;
- "Panel Study of Belgian Households" by the Universities of Antwerp (UIA) and Liège (Ulg).

5.8.2. Basic estimates

Generally speaking, the HBS is used for estimating final consumption of goods and services purchased frequently by Belgian households, which entails no particular evaluation difficulties. Evaluation difficulties include:

- involvement of a disbursing third party: health care (social security refund), vehicle repair (involving insurance enterprises);
- substantial differences between ESA 1995 concepts and survey headings: gaming, financial services indirectly measured, insurance services;
- expenditure where there may be confusion between different survey headings: rest home expenses as against health care provided in rest homes, leasing as against provision of vehicle by employer.

For each heading estimated from the HBS, an alternative method is applied, consisting in extrapolating the amount of a reference year as a function of trends in VAT turnover, in output estimated by national accounts or in volume and price indicators. Such alternatives can be used to validate the trends indicated by the HBS. They can also be substituted for the survey in cases where its results are delivered late and/or are of poor quality. Such is the case with the final consumption expenditure of 2002, 2003 and 2004 extrapolated from the amounts for 2001. The HBS is then used only for breaking down consumption expenditure by subheading (COICOP.3, PPP, SUT).

As well as the estimation of headings on the basis of the HBS or extrapolation from a reference year, a third method is to take figures directly from certain administrative sources.

A fourth possibility is the "commodity flow" method, whereby final consumption expenditure is calculated as a balancing item arrived at by subtracting uses other than final consumption (intermediate consumption, final consumption of general government, capital formation and exports) from resources (output, net taxes on products, imports).

Certain headings are also estimated on the basis of other extrapolations which combine survey results, administrative data and/or the commodity flow method.

5.8.2.1. COICOP 01 – Food products and non-alcoholic beverages

The HBS is the preferred method for estimating final consumption of food products (COICOP 011) and non-alcoholic beverages (COICOP 012). An alternative method for food products is to extrapolate from the reference year (2001) on the basis of retail turnover of non-specialist shops (NACE 52.1) and specialist shops (NACE 52.2). An alternative method for non-alcoholic beverages is to extrapolate from the reference year (2001) on the basis of excise duties levied on them (D.2122C and D.214A). The breakdown by COICOP.3, PPP or SUT products is that of the HBS.

5.8.2.2. COICOP 02 – Alcoholic beverages and tobacco

Final consumption expenditure on alcoholic beverages (COICOP 021) and tobacco (COICOP 022) is obtained by applying the commodity flow method, i.e. final consumption is calculated by balance once output, intermediate consumption, imports and exports are known. Fiscal data on excise duties on alcoholic beverages and tobacco (D.2122C and D.214A) provide a way of monitoring trend changes over time.

5.8.2.3. COICOP 03 – Clothing and footwear

The HBS is the preferred method for estimating final consumption of clothing (COICOP 031) and footwear (COICOP 032). An alternative method is to extrapolate from the reference year (2001) on the basis of retail turnover in clothing (NACE 52.42) and footwear (NACE 52.431). The breakdown by COICOP.3, PPP or SUT products is that of the HBS.

5.8.2.4. COICOP 04 – Housing, water, electricity, gas and other fuels

5.8.2.4.1. Actual and imputed rents (COICOP 041 and 042)

Final consumption of housing services is obtained directly from the estimate of the output of housing services (cf. 3.17.1), which comprises services produced by the renting of housing as measured by the value of rents (COICOP 041) and services provided by owner-occupiers as measured by the value of comparable rents (COICOP 042).

The method recommended by Eurostat, based on stratification of housing stock, is used in the national accounts. It is based partly on the NSI 2001 population and housing census survey and partly on the "Panel Study of Belgian Households" carried out by the Universities of Antwerp and Liège. Data are collected on the type, size, location, facilities and age of dwellings. The database comprising the 2001 housing census survey and the panel study thus reveals the statistical link between rent and the various characteristics of rented housing. This link is applied to the whole housing stock and is then used to estimate the average rent of the various strata obtained by crossing the characteristics of the dwellings. Once we know the number of dwellings per stratum, we can evaluate the output of housing services.

5.8.2.4.2. Current goods and services for housing repairs (COICOP 043)

The level of maintenance and repair expenses usually borne by tenants (COICOP 043) is determined by the 2001 HBS. The estimate for other years is obtained by applying to the base year a rent index and a volume index reflecting the change in the number of dwellings in Belgium. The

HBS makes it possible to determine the respective shares of SUT products used for current maintenance products (COICOP 0431) and current housing maintenance services.

5.8.2.4.3. Water distribution and other services relating to housing (COICOP 044)

Apart from refuse collection (SUT 90A01), the HBS is the preferred method for calculating the amounts paid for water distribution and other services relating to housing. The alternative method is to subject the reference year (2001) to extrapolation of price times volume of water consumed. The trend in the volume of water consumed by households is available in water distributors' operating reports. The price trend is supplied by the Federal Economy Ministry. The breakdown by SUT products is that of the HBS.

Refuse collection charges paid represent market services invoiced by general government. Final consumption of households is provided directly by administrative data in the accounting of general government.

5.8.2.4.4. Electricity, gas and other fuels (COICOP 045)

The HBS is the preferred method for calculating the consumption of energy products. The alternative method is to subject the reference year (2001) to an extrapolation of price times volume of energy products. The trend in volume consumed by households is provided by the various professional federations (Electricity Producers Federation, Gas Industry Federation and Belgian Petroleum Federation) and by the Federal Energy Ministry. The price trend is supplied by the Federal Economy Ministry. The breakdown by SUT products is that of the HBS.

5.8.2.5. COICOP 05 – Furnishings, household equipment and routine household maintenance

Apart from domestic services, the HBS is the preferred method for estimating final consumption of furniture, household equipment and routine house maintenance. The alternative method for final consumption of furniture (COICOP 051) is to extrapolate from the reference year (2001) on the basis of furniture retail turnover (NACE 52.441). Retail turnover in home amenities and lighting (NACE 52.442) is used for estimating consumption of household textile articles (COICOP 052), glassware, tableware, household utensils (COICOP 054) and small tools (COICOP 055). The turnover of domestic electrical appliance retailers (NACE 52.450) and non-specialist shops (NACE 52.1) is used for extrapolating respectively the consumption of household appliances (COICOP 053) and non-durable household articles (COICOP 056).

Estimating the consumption of domestic services (SUT 95A01) is a particular case. These services are generally not declared, and households are reluctant to declare this expenditure in writing. This

explains a broad under-estimation of the consumption of this product in the HBS. Moreover, the survey does not cover every product that falls within SUT 95A01.

The "Panel Household Survey" is a significant element in calculating the consumption of SUT product 95A01. It determines the percentage of households in Belgium which use domestic services provided by individuals other than service enterprises. These services were not covered by the 2003 survey, so the 2002 percentages were adopted.

Domestic tasks	Proportion of households using these services
Cleaning	16.5 %
Washing and ironing	5 %
Gardening	2.35 %

These coefficients are multiplied by the total number of households in Belgium in the year in question (4 380 255 in 2003).

The number of hours of use of these services per year is estimated on the basis of information from institutions which meet part of the demand of households for these services. The number of hours varies from service to service.

Domestic tasks	Annual number of hours
Cleaning	168
Washing and ironing	75
Gardening	15

This result is multiplied by the hourly rate of pay, which is the price given by the DGSEI for domestic services. In 2003, the rate was 6.5225 euros per hour.

Domestic tasks	Final result (millions of euros)
Cleaning	793.9
Washing and ironing	107.1
Gardening	10.1
<i>Subtotal</i>	911.1

In 2003 an adjustment in function of the evolution of employment using service cheques was introduced. These cheques can be used to obtain domestic services from enterprises at a certain hourly rate on a fully legal basis. There is therefore a substitution between the two types of service providers, with some of the persons providing undeclared domestic services joining the new service

cheques circuit. The result is a decrease in the consumption of domestic services at SUT 95A4 level but not overall.

Subtotal	911.1
Adjustment for service cheques	- 2.1
Total	909.0

5.8.2.6. COICOP 06 – Health expenditure

Final expenditure of medication and other pharmaceutical products (COICOP 061) is known via the VAT turnover of pharmacies (NACE 53.32) and retail optical trade (NACE 52.485). Statistics on refunds for medication and certain optical services by the National Sickness and Disability Insurance Institute (NSDII) make it possible to check the plausibility of the P.31_S.14/P.3 ratio.

Households' final consumption of the services of doctors, dentists and paramedicals (COICOP 062) and hospital services (COICOP 063) is calculated by the "commodity flow" method whereby final consumption expenditure is calculated as the balance arrived at by subtracting uses other than final consumption (intermediate consumption, final consumption of general government, exports) from resources (output, net taxes on products, imports).

The output of doctors (NACE 85.12), dentists (NACE 85.13) and paramedical professions (NACE 85.14) is allocated respectively to products 85A02 (doctors' services), 85A03 (dentists' services) and 85A04 (paramedical services). The output of hospitals (NACE 85.11) is not confined to hospital services. It is broken down on the basis of the analytical accounting of hospitals between the following products: hospital services (85A01), doctors' services (85A02), dentists' services (85A03), paramedical services (85A04) and rest and care home services (85C01).

Intermediate consumption of medical services is known from the detailed accounting of hospitals and the structure survey of enterprises.

The balance of payments provides the amount of health care imports and exports. Net taxes on products are known via the accounting of general government and the application of theoretical VAT rates.

Payments by social security (NSDII, Health Ministries) for health services are part of the individual final consumption of general government (P.31_S.13).

The final consumption balance obtained for hospital services (85A01), doctors' services (85A02), dentists' services (85A03) and paramedical services (85A04) is validated on the basis of the P.31_S.14/P.3 ratio.

5.8.2.7. COICOP 07 - Transport

5.8.2.7.1. Purchase of personal vehicles (COICOP 071)

Estimating final consumption expenditure on new cars (SUT 34A02) involves three stages. The first one is to calculate total purchases of new private cars via GDSEI statistics for the number of new private cars sold per price category. The estimated amount of these total purchases is increased by the amount of entry-into-service taxes and is decreased by an amount for discounts granted to customers by car sellers. The respective sources of these two kinds of information are the Ministry of Finance and the Ministry of Mobility and Transport. The third stage is an adjustment to exclude purchases of company cars and private cars used for work purposes. The proportion of purchases of private cars used for private purposes has been set at 76.1% since 1998. It was determined by a survey conducted in that year on behalf of the GDSEI and the Belgian Automotive and Cycle Industry Federation (FEBIAC). It is intended in future to update this proportion annually on the basis of a recent combination of the databases of the GDSEI and the Vehicle Registration Directorate (DIV).

Total consumption of second-hand cars (SUT 34A03) is obtained from a combination of volume and price trends. Volumes are derived from GDSEI statistics on second-hand cars in circulation. A distinction is made between the following cases: cars sold by individuals to individuals without going through a garage operator, cars sold by individuals to individuals via a garage operator, cars sold by professionals (company cars, leased cars) to individuals. Cars sold by individuals to individuals without going through a garage operator are not recorded as final consumption of households (transfer of ownership within the households sector). All that is recorded on cars sold by individuals to individuals via a garage operator is the latter's margin, which is calculated on the basis of informations supplied by the Belgian Association of Garage Operators and Motor Vehicle Sellers (COMAUBEL). The price trend in cars sold by professionals to individuals is known from the price trend in representative models published by COMAUBEL and the motor magazine "*Moniteur Automobile*". The VAT rate and entry-into-service tax figures supplied by the Ministry of Transport are also taken into account. The total amount of second-hand car purchases represents the final consumption.

Purchases of other vehicles are estimated from the HBS, failing which the alternative method is to extrapolate from the reference year (2001) on the basis of the turnover of the specialist retail trade in cycles (NACE 52.492).

5.8.2.7.2. Expenses relating to personal vehicle use (COICOP 072)

Apart from fuel purchases (SUT 23A02, SUT 23A04), maintenance and repair expenses (SUT 50A01) and driving school services (NACE 80A01), the HBS is the preferred method for estimating final consumption expenses relating to personal vehicle use. The alternative method is to extrapolate from the reference year (2001) on the basis of retail turnover in motor vehicle spares and accessories (NACE 50.302).

Automotive fuel consumption is extrapolated from Belgian Petroleum Federation statistics on fuel volume consumed and consumer price indices supplied by the Federal Economy Ministry.

Repair and maintenance services (SUT 50A01) are calculated from a garage operator hourly tariff index calculated by the Federal Economy Ministry (consumer price indices) and an NSI volume index on the trend in the number of private cars. The private portion of the vehicle fleet is set at 76.1%, which is the proportion of new vehicles purchased for private use on the basis of a survey conducted for the GDSEI and the FEBIAC in 1998. It is intended in the future to update the proportion of vehicles for private use according to the annual trend in vehicles purchased for private use (see above).

Driving school services (80A01) are known via driving school VAT turnover (NACE 80.41).

5.8.2.7.3. Transport services (COICOP 073)

Public transport by rail (COICOP 0731) and road (COICOP 0732) are estimated from annual accounts and statistics supplied by the public-sector companies running railways (BNR), buses (De Lijn, TEC) and tram and metro systems (STIB).

The HBS is the preferred method for estimating final consumption of other transport services. The alternative method is to extrapolate from the reference year (2001) on the basis of Federal Mobility Ministry volume statistics and Federal Economy Ministry consumer price indices.

5.8.2.8. COICOP 08 - Communication

The HBS is the preferred method for estimating goods and services relating to communication. The alternative method is to extrapolate from the reference year (2001) on the basis of Belgian Institute of Postal and Telecommunications Services volume statistics and Federal Economy Ministry consumer price indices.

5.8.2.9. COICOP 09- Leisure activities and culture

The HBS is generally the preferred method for estimating final consumption of articles and services for cultural and leisure activities. The alternative method is to extrapolate from the reference year (2001) on the basis of the VAT turnover of various cultural services cultural and leisure activities providers. For package tours (COICOP 096), volume statistics from the Belgian Tour Operators Association are also used.

Certain headings are estimated directly from administrative data:

- cinema services (92A01) on basis of operating income from films shown in Belgium (GDSEI);
- TV services (92A02) on basis of pay-TV annual accounts;
- gaming (SUT92D01) on basis of the annual accounts of the national lottery and *tiercé*

5.8.2.10. COICOP 10 - Education

The HBS includes an heading on "education costs". This is rather vague and does not allow us to determine the exact type of expenditure or the service provider. It is therefore very difficult to correctly attribute this heading to the various education products, especially as it may well include products of other kinds. The final household consumption of market education products (80A02) is calculated as a balancing item.

The 'public-sector education' (80A04) which forms part of household's final consumption is a sale of services by general government, mainly comprising course enrolment, examination fees and school monitoring. The amount of this item is therefore determined when the accounts of general government are compiled.

One item that is estimated from the HBS is journeys organised within the scope of educational activities (63A01). By lack of survey data, the amounts are simply indexed on the basis of the consumer price index.

5.8.2.11. COICOP 11 – Restaurants and hotels

The HBS is the preferred method for estimating final consumption of restaurant services (COICOP 11) and hotel services (COICOP 112). The alternative method is to extrapolate from the reference year (2001) on the respective basis of the VAT turnover of restaurants, cafes and caterers (NACE 55.3, 55.4 and 55.5) and of hotels and other short-term accommodation (NACE 55.1 and 55.2). For hotels (COICOP 112) GDSEI statistics on overnights in short-term accommodation are also used.

5.8.2.12. COICOP 12 – Miscellaneous goods and services

5.8.2.12.1. Body care (COICOP 121)

The HBS is the preferred method for estimating final consumption of body care. The alternative method for care services is to extrapolate from the reference year (2001) on the basis of the VAT turnover of hairdressers and beauty care establishments (NACE 93.02). For goods associated with body care, the VAT turnover of non-specialist retailers (NACE 52.1) and specialist retailers (NACE 52.2) is used.

5.8.2.12.2. Personal effects (COICOP 122)

The HBS is the preferred method for estimating final consumption of personal effects. The alternative method is to extrapolate from the reference year (2001) on the basis of the VAT turnover of jewellers and clock and watch suppliers (NACE 52.484), non-specialist retailers (NACE 52.1) and specialist retailers (NACE 52.2).

5.8.2.12.3. Social services (COICOP 124)

Final consumption expenditure of market social services (85C01) is estimated by the commodity flow method. Expenditure on non-market social services (85C02) is known via the accounting of general government.

5.8.2.12.4. Insurance other than pension funds (COICOP 125)

Final consumption of insurance services is determined using the commodity flow method and structure survey data.

All output and imports of life insurance (SUT 66A01) and pension funds (SUT 66A02) are consumed by households or exported. Imports and exports are known from the balance of payments, so final household consumption is the difference.

Output of non-life insurance (fire, health, transport and other: SUT 66A03) may be consumed by households (final or intermediate consumption), general government (intermediate consumption), enterprises and NPISHs (intermediate consumption) or other countries (exports).

Determining the service output of the various categories of non-life insurance products (fire, health, transport, other) involves breaking down the premiums less claims paid by households for these

kinds of insurance. Information from the structure survey of insurance enterprises (on insurance premiums) and BFIC non-life statistics (on premiums and claims paid) makes it possible to break household output down by the four categories of cover and hence determine final consumption.

5.8.2.12.5. Financial services including pension funds (COICOP 126)

Final consumption of monetary, financial intermediation and auxiliary services of financial institutions (SUT 65A01, 65A02, 67A01, 67A02) and output of FISIM (SUT 65A03) is estimated on the basis of the output of enterprises classified in NACE 65.12, 65.2 and 67.

5.8.2.12.6. Other services (COICOP 127)

Apart from non-market services of general government (SUT 75A01), the HBS is the preferred method for estimating final consumption of other services. The alternative method is to extrapolate from the reference year (2001) on the basis of the output of the following branches of activity: "Legal activity" (NACE 74.11), "Accounting activity" (NACE 74.12) and "Funeral services" (NACE 93.03).

Services of general government (SUT 75A01) represent sale of services. Final household consumption is equivalent to the total of these sales which appears in the accounting of general government.

5.8.2.13. General table

The following table shows the methods used for each COICOP heading.

COICOP	COICOP title	SUT product	Preferred method	Alternative method
01	Food products and non-alcoholic beverages			
011	Food products	Various	HBS	Reference year extrapolation
012	Non-alcoholic beverages	Various	HBS	Administrative data
02	Alcoholic beverages and tobacco			
021	Alcoholic beverages	15K01, 15K02, 15K04	Commodity flow	Administrative data
022	Tobacco	16A01, 21A06	Commodity flow	Administrative data
023	Narcotics	-	-	-
03	Clothing and footwear			
031	Clothing	Various	HBS	Reference year extrapolation
032	Footwear	Various	HBS	Reference year extrapolation

04	Housing, water, electricity, gas and other fuels			
041	Actual rents (tenants)	70A03	Reference year extrapolation	-
042	Imputed rents (owners)	70A02	Reference year extrapolation	-
043	Goods and services for routine housing repairs	Various	Reference year extrapolation	--
044	Water distribution and other services relating to housing	Various	HBS	Reference year extrapolation
		90A01	Administrative	-
045	Electricity, gas and other fuels	Various	Reference year extrapolation	-
05	Furnishing, household equipment and routine house maintenance			
051	Furniture, furnishings, carpets and other floor coverings	Various	HBS	Reference year extrapolation
052	Household textile articles	Various	HBS	Reference year extrapolation
053	Domestic appliances	Various	HBS	Reference year extrapolation
054	Glassware, tableware and household utensils	Various	HBS	Reference year extrapolation
055	House and garden tools	Various	HBS	Reference year extrapolation
056	Non-durable household articles and domestic services	Various	HBS	Reference year extrapolation
		95A01	Other extrapolation	-
06	Health expenditure			
061	Medication, other pharmaceutical products and therapeutic material	24D02, 24D03, 33A01, 33A03	Administrative	-
062	Services of doctors, dentists and paramedicals (outside of hospitals)	85A02, 85A03, 85A04	Commodity flow	-
063	Hospital and similar care	85A01	Commodity flow	-

7	Transport			
071	Purchase of personal vehicles	34A02, 34A03	Other extrapolation	Reference year extrapolation
		Various	HBS	Reference year extrapolation
072	Expenses relating to use of personal vehicles	23A02, 23A04	Other extrapolation	-
		50A01	Other extrapolation	-
		80A01	Administrative	-
		Various	HBS	Reference year extrapolation
073	Transport services	60A01, 60B01, 60B04	Administrative	-
		Various	HBS	Reference year extrapolation
08	Communication			
081	Postal services	64A01, 64A02	HBS	Reference year extrapolation
082	Telephone, telegraph and fax equipment	32A02	HBS	Reference year extrapolation
083	Telephone, telegraph and fax services	64B01	HBS	Reference year extrapolation
09	Cultural and leisure activities			
091	Audiovisual, photographic and IT appliances and supports	Various	HBS	Reference year extrapolation
092	Durable goods for leisure activities (caravans, boats, musical instruments etc.)	Various	HBS	Reference year extrapolation
093	Non-durable goods for leisure activities (articles for camping, horticulture etc.), animals and relating products	Various	HBS	Reference year extrapolation
094	TV subscription, lotteries, practice of sport and other recreational and cultural services	92A01, 92A02, 92D01	Administrative	-
		Various	HBS	Reference year extrapolation
095	Press, booksellers' and stationers' articles	Various	HBS	Reference year extrapolation
096	Package tours	63A01	HBS	Reference year extrapolation
10	Education			
101	Early and primary education	63A01	HBS	Reference year extrapolation
		80A02	Commodity flow	-
102	Secondary education	63A01	HBS	Reference year extrapolation
		80A02	Commodity flow	-
103	Higher education	80A02	HBS	Reference year extrapolation
		80A04	Administrative	-
104	University education	80A04	Administrative	-
11	Restaurants and hotels			
111	Restaurants and cafes	55B01, 55B02, 55B03	HBS	Reference year extrapolation
112	Hotels	55A01, 55A02	HBS	Reference year extrapolation

12	Miscellaneous goods and services			
121	Body care	Various	HBS	Reference year extrapolation
122	Prostitution	-	-	-
123	Personal effects n.e.c.	Various	HBS	Reference year extrapolation
124	Social services	85C01	Commodity flow	-
		85C02	Administrative	-
125	Insurance (other than pension funds)	66A01, 66A03	Other extrapolation	-
126	Financial services (including pension funds) n.e.c.	65A01, 65A02, 65A03, 66A02, 67A01, 67A02	Other extrapolation	-
127	Other services n.e.c.	75A01	Administrative	-
		Various	HBS	Reference year extrapolation

5.8.3. Adjustments

The basic data are subjected to several adjustments: validation of basic data, arbitrage of the output and expenditure approaches and balancing of the supply and use tables.

The first adjustment pertains to validation of the amounts estimated on the basis of the HBS. The HBS results for the products concerned are systematically compared with the trends of alternative indicators. When these suggest that the consumption trend of a product is unlikely, the final consumption is adjusted. For 2003 this adjustment does not apply, since the headings concerned were directly extrapolated on the basis of alternative methods.

The second adjustment arises from arbitrage between the GDP output and expenditure perspectives. As a first stage, final consumption expenditure estimated on the internal concept is adjusted to conform to the national concept. The expenditure of Belgian residents abroad (P.33) is added to the basic estimates and the expenditure of foreigners in Belgium (P.34) is deducted. As a second stage, final consumption estimated on the national concept is compared with the other GDP components. A more or less substantial adjustment of final consumption is then applied to balance the GDP output and expenditure perspectives. It is distributed pro rata among the headings traditionally estimated from the HBS.

The third adjustment consists in balancing the output perspective and the expenditure perspective by product when compiling the supply and use tables. This has not yet been done for 2003.

5.8.4. Summary

The table below covers the various stages of estimating final consumption by households for 2003.

Final consumption expenditure of households (year 2003, millions of euros)

COICOP 2	Title	Basic estimate	Validation (1)	Arbitrage between output and expenditure approaches	SUT balancing (2)	Final estimate
011	Food products	17 387,0	-	26,9	-	17 413,9
012	Non-alcoholic beverages	2 015,8	-	0,0	-	2 015,8
021	Alcoholic beverages	2 805,5	-	0,0	-	2 805,5
022	Tobacco	2 784,8	-	0,0	-	2 784,8
023	Narcotics	0,0	-	0,0	-	0,0
031	Clothing	6 223,5	-	9,7	-	6 233,2
032	Footwear	1 401,6	-	2,2	-	1 403,8
041	Actual rents (tenants)	5 765,6	-	0,0	-	5 765,6
042	Imputed rents (owners)	17 542,6	-	0,0	-	17 542,6
043	Goods and services for routine housing repairs	1 386,8	-	0,0	-	1 386,8
044	Water distribution and other services relating to housing	1 738,8	-	2,0	-	1 740,8
045	Electricity, gas and other fuels	6 128,5	-	9,5	-	6 138,0
051	Furniture, furnishings, carpets and other floor coverings	2 381,7	-	3,7	-	2 385,4
052	Household textile articles	661,5	-	1,0	-	662,5
053	Domestic appliances	1 173,4	-	1,8	-	1 175,2
054	Glassware, tableware and household utensils	461,0	-	0,7	-	461,7
055	House and garden tools	520,3	-	0,8	-	521,1
056	Non-durable household articles and domestic services	2 459,0	-	2,4	-	2 461,4
061	Medication, other pharmaceutical products and therapeutic material	2 280,8	-	0,0	-	2 280,8
062	Services of doctors, dentists and paramedicals (outside of hospitals)	2 382,0	-	0,0	-	2 382,0
063	Hospital and similar care	1 466,8	-	0,0	-	1 466,8
071	Purchase of personal vehicles	8 408,2	-	1,0	-	8 409,2
072	Expenses relating to use of personal vehicles	10 277,1	-	7,7	-	10 284,8
073	Transport services	1 345,8	-	1,4	-	1 347,2
081	Postal services	123,4	-	0,2	-	123,6
082	Telephone, telegraph and fax equipment	133,0	-	0,2	-	133,2
083	Telephone, telegraph and fax services	2 922,2	-	4,6	-	2 926,8
091	Audiovisual, photographic and IT appliances and supports	2 070,3	-	3,3	-	2 073,6
092	Durable goods for leisure activities (caravans, boats, musical instruments etc.)	229,1	-	0,3	-	229,4
093	Non-durable goods for leisure activities (articles for camping, horticulture etc.), animals and relating products	2 171,2	-	3,1	-	2 174,3

094	TV subscription, lotteries, practice of sport and other recreational and cultural services	3 690,1	-	4,5	-	3 694,6
095	Press, booksellers' and stationers' articles	1 666,9	-	2,6	-	1 669,5
096	Package tours	3 263,3	-	5,1	-	3 268,4
101	Early and primary education	113,2	-	0,1	-	113,3
102	Secondary education	139,5	-	0,1	-	139,6
103	Higher education	342,6	-	0,0	-	342,6
104	University education	187,0	-	0,0	-	187,0
111	Restaurants and cafes	6 801,9	-	10,6	-	6 812,5
112	Hotels	776,6	-	1,2	-	777,8
121	Body care	2 681,1	-	4,1	-	2 685,2
122	Prostitution	0,0	-	0,0	-	0,0
123	Personal effects n.e.c.	1 153,6	-	1,8	-	1 155,4
124	Social services	3 004,0	-	0,0	-	3 004,0
125	Insurance (other than pension funds)	4 661,0	-	0,0	-	4 661,0
126	Financial services (including pension funds) n.e.c.	4 142,3	-	0,0	-	4 142,3
127	Other services n.e.c.	2 090,5	-	1,5	-	2 092,0
P.31_S.14	Final consumption expenditure of households (internal concept)	141 360,9	-	114,1		141 475,0
+ P.33	Expenditure of Belgian residents abroad	-	-	-	-	8 644,6
- P.34	Expenditure of Belgian non-residents in Belgium	-	-	-	-	-5 790,5
P.31_S.14	Final consumption expenditure of households (national concept)	-	-	-	-	144 329,1

(1) Not applied for 2003.

(2) Available in March 2007.

5.9. FINAL CONSUMPTION EXPENDITURE OF SECTOR S.15 (P.3_S.15)

5.9.1. Scope

The NPISH (non-profit institutions serving households) sector (S.15) comprises the following units:

- NPAs classified to S.15 (cf. 3.1.5.1 for S.15 reference framework);
- certain public utility enterprises not classified to S.13;
- international scientific organisations;
- trade-union organisations;
- political organisations;
- church workshops and equivalents in other religions;

Activities of NPISHs are confined to the following non-market branches of activity:

- 73A5 : Research
- 80A5 : Education
- 85C5 : Social work
- 91A5 : Various membership activities (other than employers' and professional organisations)
- 92C5 : Library, museum and other cultural activities
- 92D.5 : Activities pertaining to sport

5.9.2. Sources

The sources used comprise:

- NSSO data (wages) for units classified to S.15;
- results of annual structure survey of NPAs classified to S.15;
- data from general government account and various administrative sources.

5.9.3. Methodology

Final consumption expenditure of NPISHs is equal to the sum of their non-market output (P.13) and their expenditure on the acquisition of goods and services provided by market producers with a view to supplying them to households as social transfers in kind (D.6313)

Non-market output (P.13) is the balance arrived at by deducting output for own final use (P.12) and market output (P.11) from the total output (P.1) of NPISHs.

5.9.3.1. Total output

The value of NPISH total output (P.1) is calculated by branch of activity as the sum of production costs, i.e. the sum of compensation of employees (D.1), of intermediate consumption (P.2), of fixed capital consumption (K.1) and other taxes on production less other subsidies on production (D.29-D.39).

5.9.3.1.1. Calculation of compensation of employees (D.1)

The following informations are used for calculating compensation of employees by branch of activity:

- from the NSSO: gross wages and salaries (D.11) and actual social contributions (D.121) of personnel registered with the NSSO and employed by units classified to S.15;
- from the NSSO: gross wages and salaries (D.11) and actual social contributions (D.121) paid directly by general government within the scope of unemployment reduction programmes in sector S.15 (programmes of TLC and RPILM type);
- from account S.13: remuneration of ministers of religion (D.1). In Belgium, religious service providers attached to officially recognised religions are remunerated by the state.
- from the BFIC: industrial accident insurance contributions (cf. 4.7.7).

As regards NSSO data, imputed social contributions are not known. They are estimated by branch of activity on the basis of D.122/D.1 (a) ratios derived from the NPA structure survey.

Variable	SSE-GV headings	SSE-GV heading titles
Wages (D.1)	PRSC99 - PRSCH22 - PRSCH24	Personnel expenses - Expenses and allowances for volunteers - Payments to temporary staff agencies
Imputed social contributions (D.122)	PRSCH26	Other personnel expenses

D.1 is then estimated as follows:

$$D.121 + D.122 + D.11 = D.1$$

$$D.121 + (a)*D.1 + D.11 = D.1$$

$$D.1 - (a)*D.1 = D.11 + D.121$$

$$D.1 = (D.11 + D.121) / (1 - (a))$$

Imputed social contributions (D.122) for RPILM and TLC workers are set at zero. To simplify matters, since these are "unestablished jobs", these workers are assumed to receive no imputed social benefits. Moreover, the NSSO gross wages and salaries (D.11) and actual social contributions (D.121) are total amounts. They are distributed by branch of activity according to the weight of remunerations of the units classified to S.15.

The remuneration (D.1) of ministers of religion has to be broken down into gross wages and salaries (D.11), actual social contributions (D.121) and imputed social contributions (D.122). Imputed social contributions comprise pensions, family allowances etc, i.e. every type of social benefits for which employers (in this case the state) do not pay contributions. The imputed social contributions of ministers of religion are from account S.13. Like all officials, their actual social contributions are equivalent to 3.8% of salary. D.11 is estimated as follows:

$$\begin{aligned} D.121 + D.122 + D.11 &= D.1 \\ 0.038*D.11 + D.122 + D.11 &= D.1 \\ D.11 * (1+0.038) &= D.1 - D.122 \\ D.11 &= (D.1 - D.122) / (1+0.038). \end{aligned}$$

In addition, an adjustment is made using NSSO and BFIC data to include industrial accident insurance premiums in the wage bill (cf. 4.7.7).

5.9.3.1.2. Intermediate consumption (P.2)

Sector S.15 intermediate consumption (P.2) is calculated in two stages. In the first one, a P.2/D.1 ratio is calculated by branch of activity on the basis of the results of the NPA structure survey and is applied to the compensation of employees in order to estimate intermediate consumption excluding FISIM. In the second stage, the FISIM calculated centrally (cf. 3.16) is added to arrive at total intermediate consumption by branch of activity.

Variable	SSE-GV heading	SSE-GV heading title
Intermediate consumption (P.2)	CURCH02	Fees for the self-employed
	+ CURCH04	+ Raw material purchases intended for production
	+ CURCH10	+ Changes in inventories
	+ CURCH12	+ Energy
	+ CURCH14	+ Water
	+ CURCH16	+ Rents
	+ CURCH18	+ Maintenance and repairs
	+ CURCH22	+ Market studies, marketing and advertising
	+ CURCH24	+ Social secretariat expenses
	+ (0.4*CURCH26)	+ Insurance services (Insurance premiums – Indemnities received)
	+ CURCH28	+ Communication fees (telephone, postage, etc.)
	+ CURCH30	+ Transport fees
	+ CURCH32	+ Other purchases of goods and services for operating purposes
	+ CURCH46	+ Other expenditure (other than gifts made)
	+ PRSCH22	+ Expenses and allowances for volunteers
	+ PRSCH24	+ Payment to temporary staff agencies

5.9.3.1.3. Taxes on production (D.29) less subsidies on production (D.39)

Other net taxes on production (D.29) are extrapolated from wages and NPA structure survey results. A D.29/D.1 ratio is then calculated by branch of activity for units classified to S.15 and is applied to the compensation of employees. Subsidies on production (D.39) are set at zero.

5.9.3.1.4. Consumption of fixed capital (K.1)

Fixed capital consumption of sector S.15 branches of activity is calculated centrally following the perpetual inventory method (cf. 4.12).

5.9.3.1.5. Total output summary (P.1)

In terms of quantified data for 2003, we arrive at the following result for the various components of the S.15 production and operating accounts:

Branch of activity	73A5	80A5	85C5	91A5	92C5	92D.5	Total
Output (P.1)	112.4	259.4	1 093.5	1 491.4	77.9	129.7	3 164.3
Intermediate consumption (excluding FISIM)	37.8	78.3	330.0	600.2	26.3	84.2	1 156.8
FISIM	0.4	1.2	5.0	5.7	0.3	0.3	12.9
Intermediate consumption (P.2)	38.2	79.5	335.0	605.9	26.6	84.5	1 169.7
Wages (D.1)	59.5	169.1	730.0	844.1	40.8	40.7	1 884.2
Taxes on production (D.29)	0.8	0.5	2.2	6.8	0.3	0.3	10.9
Subsidies on production (D.39)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross value added (B.1g)	74.2	179.9	758.5	885.5	51.3	45.2	1 994.6
Gross operating surplus (B.2g)	13.9	10.3	26.3	34.6	10.2	4.2	99.5
Fixed capital consumption (K.1)	13.9	10.3	26.3	34.6	10.2	4.2	99.5
Net operating surplus (B.2n)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

5.9.3.2. Non-market output

Non-market output (P.13) is the balance arrived at by deducting output for own final use (P.12) and market output (P.11) from the total output (P.1) of NPISHs.

Output for own final use is equal to computer software output for own account as centrally estimated (cf. 5.11). As regards market output, a P.11/P.1 ratio is calculated by branch of activity on the basis of NPA structure survey results and is applied to total output excluding FISIM. Unlike S.11 (cf. 3.1.1), income from one-off operations (GVINC04), members' subscriptions (GVINC06)

and operating subsidies (GVINC08) are excluded from market output. They are treated as transfers (D.75) from general government (S.13) or households (S.14) to S.15.

Variable	SSE-GV heading	SSE-GV heading title
Market output (P.11)	GVINC02 + GVINC03 + GVINC16	Turnover (sale of goods and services) + Changes in inventories of goods produced + Rents

The resulting non-market output balance obtained is allocated to product pertaining to main activity. The following tables shows the quantified breakdown of total output for the year 2003.

Breakdown of total output (year 2003), millions of euros

Branch of activity	73A5	80A5	85C5	91A5	92C5	92D.5	Total
Output (P.1)	112.4	259.4	1 093.5	1 491.4	77.9	129.7	3 164.3
Market output (P.11)	30.8	67.9	193.8	264.5	15.1	41.9	614.0
Output for own final use (P.12)	2.2	1.1	2.7	7.6	0.2	0.4	14.2
Non-market output (P.13)	79.4	190.4	897.0	1 219.3	62.6	87.4	2 536.1
<i>Non-market research (73A02)</i>	<i>79.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>79.4</i>
... <i>Education (80A03)</i>	<i>0.0</i>	<i>190.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>190.4</i>
<i>Social work (85C02)</i>	<i>0.0</i>	<i>0.0</i>	<i>897.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>897.0</i>
<i>Services of associations (91A02)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1 219.3</i>	<i>0.0</i>	<i>0.0</i>	<i>1 219.3</i>
<i>Cultural services (92C02)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>62.0</i>	<i>0.0</i>	<i>62.0</i>
... <i>Services relating to sport (92D02)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>87.4</i>	<i>87.4</i>

5.9.3.3. Social benefits in kind (D.6313)

This is the amount of expenditure by NPISHs on goods and services purchases intended for households as social transfers in kind. This amount is obtained from the structure survey (CURCH08 "Purchases of goods and services for someone else") and is extrapolated to the whole sector via the wage bill. It is distributed on an equal flat-rate basis between " Medication (24D02)", "Medical and surgical appliances (33A01)" and "Optical and photographic equipment (33A03)".

5.9.4. Summary

In terms of quantified data for 2003, we arrive at the following final consumption expenditure results for non-profit institutions (P.31/S.15):

Final consumption expenditure of NPIs (year 2003, millions of euros)

Branch of activity	P.13	D.6313	Total	D.631	D.632	Total
Medication (24D02)	0.0	7.8	7.8	7.8	0.0	7.8
Medical and surgical appliances (33A01)	0.0	7.9	7.9	7.9	0.0	7.9
Optical appliances (33A03)	0.0	7.9	7.9	7.9	0.0	7.9
Non-market research (73A02)	79.4	0.0	79.4	0.0	79.4	79.4
Education (80A03)	190.4	0.0	190.4	0.0	190.4	190.4
Social work (85C02)	897.0	0.0	897.0	897.0	0.0	897.0
Services of associations (91A02)	1 219.3	0.0	1 219.3	0.0	1 219.3	1 219.3
Cultural services (92C02)	62.0	0.0	62.0	0.0	62.0	62.0
Services relating to sport (92D02)	87.4	0.0	87.4	0.0	87.4	87.4
Total	2 536.1	23.6	2 559.7	920.6	1 639.1	2 559.7

5.10. FINAL CONSUMPTION EXPENDITURE OF SECTOR S.13 (P.3_S.13)

5.10.1. Calculation of final consumption expenditure (P.3)

<i>Data for 2003 (millions of euros)</i>	
Output (P.1)	48 659.0
Market output (P.11)	- 1 825.9
of which:	
- market branches of activity	39.1
- non-market branches of activity	1 786.8
Output for own final use (P.12)	- 288.6
Other non-market output (P.13)	46 544.5
Payments in respect of other non-market output (P.131)	- 2 282.5
Social benefits in kind provided by market producers (D.6311+D.63121+D.63131) ¹⁰¹	+ 18 901.1
Final consumption expenditure (P.3)	63 163.1

The methods for evaluating the output of non-market branches of general government have already been explained (cf. 3.18, 3.19 and 3.3.3.2). In brief, this output is measured as the sum of production costs. To arrive at final consumption expenditure, we must subtract market output, output for own final use and payments in respect of other non-market output, and then add social benefits in kind provided by market producers. The method of determining these variables is described below.

5.10.2. Market output (P.11) and payments in respect of other non-market output (P.131)

5.10.2.1. Description of basic data

In the Benelux economic regrouping, sales appear under economic codes¹⁰² 16 and 18.

(i) **Code 16 - Sales of non durable goods and services**

This group comprises income from sales of non durable goods and services by the general government sector, and income from the renting of buildings, premises, means of transport,

¹⁰¹ All social benefits in kind also include social benefits in kind provided directly by general government (D.63122 + D.63132) as part of its non-market output, which in Belgium are currently estimated at zero.

¹⁰² Cf. 3.1.4. for description of economic codes.

technical equipment and other assets (income from the renting of land is coded 28.3).

Where a subsector of the general government sector which produces non-market services also has marginal, occasional sales of market goods and services, the resulting income is recorded under code 16.

Taxes paid by households or enterprises on the ownership or use of vehicles, boats or aircraft, shooting, hunting or fishing licences, etc. are regarded either as taxes or as purchases of services. The distinction between a tax and the purchase of a service from general government is based on the following criterion: if authorisation is granted automatically upon payment of the amount due, it is treated as a tax, but if general government uses an authorisation procedure to implement a regulatory function (e.g. verifying the competence or qualifications of the person concerned), the amount paid has to be regarded not as a tax but as payment for the purchase of a non-market service from general government, unless the amount is clearly disproportionate to the cost of providing the service.

(ii) Code 18 - Income from civil engineering work and other investment goods produced

This group covers work done by one subsector of the general government sector for another of its subsectors or for another sector. From the point of view of the subsector or sector for which the work is done, it may be investment work (e.g. new work or major maintenance) or maintenance work; from the point of view of the department that does the work, the income is current income.

5.10.2.2. Calculation of sales by non-market branches of general government

<i>Data for 2003 (millions of euros)</i>		
Central government (S.1311)		
Code 16	+	692.7
Sales by Belgian Official Gazette Publishing Office	-	36.0
Premiums collected by the National Export Guarantee Commission for the state	+	15.7
Differences in definition of "Central government"	+	68.0
<i>Subtotal</i>		740.4
Communities and Regions (S.1312)		
Code 16		318.2
Indirectly estimated income (course enrolment and examination fees, school monitoring expenses, income of boarding-schools and school refectories, income from research contracts with industry)	+	854.6
RTBF, VRT, BRF		222.7
De Lijn, STIB, TEC		437.3
Differences in definitions of "Communities" and "Regions"	+	114.1
<i>Subtotal</i>		1 946.9
Local authorities (S.1313)		
Code 16 (Communes)		786.6
Code 36 (indirect taxes) regarded as sales	+	403.0
Other adjustments	+	163.7
<i>Subtotal</i>		1 353.3
Compulsory social security (S.1314)		
Sales		28.7
<i>Subtotal</i>		28.7
Grand total (S.13)		4 069.3

5.10.2.3. Breakdown of sales by product

This is based on more detailed analysis of certain budgets. Owing to a certain shortage of data on Communities and Regions (S.1312) and local authorities (S.1313), our knowledge of sales by product is incomplete.

5.10.2.3.1. Calculation of market output (P.11)

Only certain sales by non-market branches of general government are regarded as market sales of goods and services.

<i>2003 amounts (millions of euros)</i>		
SUT branch of activity	SUT product (cf. 10.1)	
General government, except defence and social security (75A3)	Renting of buildings (70A04)	247.6
	Income relating to tax collection for third parties (74F04)	389.2
	Ship pilotage fees (63B04)	55.5
	Sales of felled timber (02A01)	62.0
	Charges for public hygiene services - refuse collection (90A01)	446.8
	<i>Subtotal</i>	1 201.1
Compulsory social security (75C3)	Renting of buildings (70A04)	11.7
Public-sector education (80A3)	Meals taken by outsiders in school refectories (55B03)	119.9
	Boarding-school fees (55A02)	61.4
	University research contracts (73A01)	170.0
	<i>Subtotal</i>	351.3
RTBF, VRT, BRF (92A3)		222.7
Market output (P.11)		1 786.8

5.10.2.3.2. Calculation of payments in respect of other market output (P.131)

All other sales are regarded as payments in respect of other non-market output.

The item "Others n.e.c." (75A01) is quite substantial and is calculated as a balancing item. It comprises income from the delivery of documents to households (identity cards, driving licences, etc.), searches in population registers, renting of barriers of the "Nadar" type, kiosks and festivity equipment, work done by civil protection services (removal of wasp nests), sales of admission tickets to museums, halls, swimming pools, sale of administrative forms, photocopies and various publications, miscellaneous work for third parties (statistical or computer work, road works, etc.).

<i>2003 amounts (millions of euros)</i>		
SUT branch of activity	SUT product	
Public transport (60B.3)	Transport tickets	17.9
Transport infrastructure management (63B.3)	Others n.e.c.	125.0
General government, except defence and social security (75A3)	Non-market social assistance (85C02)	1 282.0
	Others n.e.c. (75A01)	1 307.0
	<i>Subtotal</i>	17.0
Compulsory social security (75C3)	Others n.e.c. (75A01)	467.6
Public education (80A3)	Course enrolment and examination fees (80A04)	35.7
	School monitoring (80A04)	503.3
	<i>Subtotal</i>	2 282.5
Payments in respect of other non-market output (P.131)		437.3

5.10.3. Output for own final use (P.12)

In Belgium, output for own account mainly comprises the production of computer software and major databases and investment in originals for films. No adjustment is made to estimate other own-account output of fixed capital goods. Wage and other costs are recorded as final consumption expenditure, which is therefore over-estimated, whereas public-sector investments are underestimated. It is difficult to say whether this results in a major under-estimate of GDP, but it should be noted that the staff of most Belgian communes deal only with maintenance and minor repairs, whereas major repairs and new investments are systematically contracted out to public works enterprises.

The estimation of output for own account of software and investment in originals is discussed in section 5.11.

5.10.3.1. Social benefits in kind provided by market producers (D.6311+D.63121+D.63131)

5.10.3.1.1. Description of basic data

In the economic regrouping, social benefits in kind appear under code 34, "Transfers of household income", comprising payments to households to cover costs arising from certain risks and needs, without any equivalent and simultaneous counterpart from the recipient.

This group arises mostly in the social security administrations subsector in the form of allocations paid by them to households under insurance schemes, whether directly to households or to production units (for example, hospital care establishments) as full or partial remuneration of services rendered to eligible persons.

Social insurance administrations are not in a position to meet every risk and need, so central and local authorities also make allocations to households in need of government assistance. A particular part of this group is survivors' pensions (paid to the surviving dependants of Belgian officials) and war pensions.

34.1 Widows' and orphans' pensions

In Belgium, there is no autonomous fund for widows' and orphans' pensions, so their gross amounts are recorded under code 34.1. Withholdings from wages (included in gross pay) are recorded as government income under code 37.5 (social security contributions payable by employees).

34.2 War pensions

These comprise all pensions, annuities and ex gratia payments granted by government for psychological or physical injury arising from acts of war and risks incurred.

In Belgium, war disability compensation included in military pensions is not regarded as a transfer, since it cannot be isolated, but as an old-age pension (code 11.33).

34.3 Other social benefits

Social benefits in this group are broken down into benefits in cash (code 34.31) and in kind (code 34.32).

By convention, the risks or needs which can give rise to social benefits are:

- a. sickness,
- b. disability or infirmity,
- c. industrial accident or occupational disease,
- d. old age,
- e. bereavement,
- f. maternity,
- g. family,
- h. job creation,
- i. unemployment,
- j. housing,
- k. education,
- l. destitution.

The majority of social benefits are paid in cash. Benefits in kind include:

- state contributions towards daily cost of hospitalisation;
- direct contributions: pharmaceuticals, prostheses, appliances provided directly to military and civilian victims of war or political turmoil;
- medical, surgical and hospital care provided directly to the disabled, the destitute, refugees, etc.

34.4 Other benefits to households as consumers

These are likewise broken down into benefits in cash (code 34.41) and in kind (34.42).

This group comprises, by convention:

- a. travelling scholarships, awards;
- b. compensation for the loss of consumer goods (e.g. loss of furniture due to natural disaster);
- c. savings premiums granted periodically (those paid to an enterprise's own personnel are coded 11.12).

34.5 Other benefits to households as producers

These comprise benefits other than operating subsidies, e.g. prizes and awards for artistic activities.

5.10.3.2. Calculation of social benefits in kind provided by market producers (D.6311 + D.63121 + D.63131)

Social benefits in kind (D.631) payable by general government also include those provided directly by it within the framework of its non-market output, which in Belgium are currently estimated at zero.

<i>2003 data (millions of euros)</i>	
Central Government (S.1311)	
State assistance towards daily cost of hospitalisation	1 200.2
National Institute of War Invalids, Veterans and Victims of War (INIG): contributions towards medical expenses	+ 60.3
<i>Subtotal</i>	<i>1 260.5</i>
Communities and Regions (S.1312)	
Birth and childhood assistance (antenatal consultations, consultations for infants and 3 to 6 year-olds, day care centres and day nurseries, etc.) and help for the disabled and elderly (reception and accommodation, assistance with daily life etc.)	1 538.8
<i>Subtotal</i>	<i>1 538.8</i>
Local authorities (S.1313)	
Help for the destitute (rents, pharmaceutical expenses, medical and paramedical care, living expenses in rest homes, cost of domiciliary meals, etc.) and refugees	423.7
<i>Subtotal</i>	<i>423.7</i>
Compulsory social security (S.1314)	
Health care assistance within the framework of compulsory health insurance	15 482.8
Care insurance	+ 133.2
Other assistance (family help and day care centre facilities, medical expenses arising from working accidents and occupational diseases, etc.)	+ 62.1
<i>Subtotal</i>	<i>15 678.1</i>
Social security benefits in kind provided by market producers (D.6311+D.63121+D.63131)	18 901.1

5.10.4. Two concepts of final consumption: final consumption expenditure and actual final consumption

5.10.4.1. General

One of the most striking innovations in ESA 1995 is a distinction between two types of final consumption: final consumption expenditure and actual final consumption.

Final consumption expenditure (P.3) comprises the consumption expenditure for which each sector ultimately pays. The final consumption expenditure of general government (P.3_S.13) is divided into individually identifiable final consumption expenditure (P.31_S.13: the individual consumer is identifiable) and collective consumption expenditure (P.32_S.13). The first, conventionally broken down in line with a list of headings in the COFOG classification of the functions of government, includes, for example, expenditure on education and health¹⁰³. The second, which comprises all other items in the COFOG classification, comprises expenditure on the "traditional" or "core" functions of government (defence, justice, police, general administration) and a residue of non-market services to enterprises and households, such as transport infrastructure, which cannot be, by convention, individually identified.

Final consumption expenditure therefore does not include the health expenditure of households that is initially borne by them but subsequently refunded by social security. These refunds are included in the final consumption expenditure of general government.

Actual final consumption (P.4), likewise for each institutional sector, comprises goods and services actually used (consumed), irrespective of how they are funded. The actual final consumption of households is therefore the sum of their final consumption expenditure and social transfers in kind (D.63) from general government or NPISHS¹⁰⁴ ($P.4_S.14 = P.3_S.14 + P.31_S.13 + P.3_S.15$). Social transfers in kind from general government to households correspond exactly to its individually identifiable final consumption expenditure. Conversely, the actual final consumption of general government comprises only goods and services that are included in collective final consumption expenditure.

¹⁰³ In ESA 1995, all final consumption expenditure of general government, except expenditure on general administration, regulations, research, etc., attributed to one of the following COFOG headings (revised version of 1998) is treated as consumption expenditure on individual services: 07 Health, 08.1 Sport and leisure activities, 08.2 Culture, 09 Education, 10 Social protection.

The collective consumption expenditure of general government corresponds to all its other final consumption expenditure.

¹⁰⁴ According to ESA 1995, consumption expenditure by NPISHs is regarded, by definition, as individually identifiable.

5.10.4.2. Split between individual consumption expenditure (P.31_S.13) and collective consumption expenditure (P.32_S.13 = P.4_S.13)

The distinction between individual consumption expenditure (P.31) and collective consumption expenditure (P.32) is made when the final tables of general government expenditure by function and transaction are compiled.

The distinction is made on the basis of the Benelux functional nomenclature for the central government, for Communities and Regions and for local authorities. As regards the social security administrations subsector, all final consumption expenditure is deemed to be individual final consumption expenditure and is therefore the actual final consumption of households since, if there were no social security, households would need private insurance against social risks, and paying for it would obviously be part of their actual final consumption.

The table below provides details of the final consumption expenditure of general government by subsector.

Data for 2003 (millions of euros)	Central govern- ment (S.1311)	Communi- ties and Regions (S.1312)	Local autho- rities (S.1313)	Social security admins. (S.1314)	Total (S.13)
01. General services of general government	2 325.0	2 630.4	3 529.7	0.0	8 485.1
02. National defence business and services	3 132.7	0.0	0.0	0.0	3 132.7
03. Public order and security	2 191.3	65.5	2 208.2	0.0	4 465.0
04. Economic business and services	617.9	4 152.5	1 619.5	0.0	6 389.9
05. Environmental protection	6.3	527.5	142.3	0.0	676.1
06. Housing and collective development services	0.5	79.2	66.9	0.0	146.6
07. Health services and business	1 562.5	71.6	266.6	16207.5	18 108.2
<i>of which individually identifiable expenditure</i>	<i>1 260.5</i>	<i>63.2</i>	<i>249.3</i>	<i>16207.5</i>	<i>17 780.5</i>
08. Services relating to leisure activities, culture and religious observance	95.4	664.2	916.0	0.0	1 675.6
<i>of which individually identifiable expenditure</i>	<i>90.7</i>	<i>216.1</i>	<i>908.9</i>	<i>0.0</i>	<i>1 215.7</i>
09. Education, business and services	46.4	12 147.0	3 628.9	0.0	15 822.3
<i>of which individually identifiable expenditure</i>	<i>30.8</i>	<i>11 553.8</i>	<i>3 628.9</i>	<i>0.0</i>	<i>15 213.5</i>
<i>p.m.: Education (including fundamental research)</i>	<i>112.0</i>	<i>13 167.9</i>	<i>3 628.9</i>	<i>0.0</i>	<i>16 908.8</i>
10. Services relating to social security and social work	288.9	1 746.1	827.3	1 399.3	4 261.6
<i>of which individually identifiable expenditure</i>	<i>0.0</i>	<i>1 734.1</i>	<i>787.4</i>	<i>1 399.3</i>	<i>3 920.8</i>
Total (P.3_S.13)	10 266.9	22 084.0	13 205.4	17 606.8	63 163.1
<i>of which individually identifiable expenditure (P.31_S.13)</i>	<i>1 382.0</i>	<i>13 567.2</i>	<i>5 574.5</i>	<i>17 606.8</i>	<i>38 130.5</i>

5.11. ACQUISITIONS LESS DISPOSALS OF TANGIBLE FIXED ASSETS (P.511)

In this section the way in which gross capital formation in tangible fixed assets is estimated in the Belgian national accounts is discussed. For this first a look is taken at what source data are available. This is followed by a description of how the gross capital formation in tangible fixed assets is estimated in the different institutional sectors. Finally we discuss further the estimate of investments in dwellings.

The following table shows total acquisitions less disposals of tangible fixed assets by sector:

Total acquisitions less disposals of tangible fixed assets (in millions of euros, 2003)	
S.11	28 387.9
S.12	1 198.1
S.13	4 285.2
S.14	14 344.7
S.15	134.1
P.511	48 350.0

5.11.1. Source data for investments

Three sources are used to estimate gross capital formation: the annual accounts from the Central Balance Sheets Office of the National Bank of Belgium, the VAT declaration and the Structural Business Survey (SBS).

5.11.1.1. The Central Balance Sheets Office of the National Bank of Belgium

As indicated for the calculation of GDP via the output approach, every Belgian corporation, for which the responsibility of the shareholders or partners is limited to their contribution to the capital, is legally obliged to submit its annual accounts to the Central Balance Sheets Office of the National Bank of Belgium. After filing, the Central Balance Sheets Office processes and, if necessary, adjusts the annual accounts, after which they are stored as usable statistical source information.

An important benefit of using the Central Balance Sheets Office data is that the information provided by the annual accounts of large corporations, the so-called A1 corporations, contains a relatively great amount of detail. Unfortunately that is not the case for the majority of small and medium-sized corporations (SMEs). For the latter group a distinction is only made between total tangible and total intangible fixed assets. It must however be noted here that the investments of A1 corporations form the overwhelming majority of total investments.

Specifically the annual accounts of an A1 corporation include nine different headings that relate directly to the estimate of investments according to ESA 1995 methodology. These headings can be included in two groups, namely the tangible fixed assets and a group of two headings that are necessary to be able to make a few adjustments.

However in the case of a small corporation (the B units) only an abridged schedule of the annual accounts will have to be submitted and not all the headings in the table below are present. For these units the annual accounts only give the total amount of tangible fixed assets. It follows from this that certain adjustments for units with an abridged schedule cannot be deduced directly from the annual accounts.

How exactly gross capital formation is estimated, is described below (cf. 5.10.2).

Table 1: Data relating to investments in annual accounts (full accounting schedules)

Heading	Acquisitions of:
Tangible fixed assets	8161 Land and buildings
	8162 Plant, machinery and equipment
	8163 Furniture and rolling stock
	8164 Hire purchase and leasing charges
	8165 Other tangible fixed assets
	8166 Assets under construction and payments on account
	8169 Total tangible fixed assets
Miscellaneous	8179 Transfers and decommissioning of tangible assets
	6503 Capitalised interest

5.11.1.2. The VAT return

Every taxpayer in Belgium is legally obliged to submit a VAT return to the Ministry of Finance, Administration of VAT and Public Lands. This means that the VAT return has a very wide scope.

In the VAT return there is one variable reserved for recording investments. This means that only one global amount has to be indicated that is not further specified in any way. The amounts that are indicated for this variable in the VAT return must normally agree with the data that can be found in the annual accounts.

In addition to the advantage of the wide scope of the VAT statistics, the lack of detail is however a significant disadvantage that means that the VAT data are not in themselves sufficient to make estimates relating to investments according to ESA 1995 methodology.

5.11.1.3. The structure survey

In order to complete the integration of the European market, it has been decided at European level that each of the Member States must collect comparable, full, reliable and recent statistics on the structure of corporations. In Belgium the General Directorate of Statistics and Economic Information (DGSEI) is entrusted with the practical organisation of the structure survey. The information that is requested in the structure survey is largely in accordance with the regulations and requirements of ESA 1995. Table 2 indicates which are the data relating to investments that are included in the structure survey (in its traditional form).

Table 2: Data relating to investments in the structure survey

	Simplified survey (a)	Detailed survey (b)
Tangible fixed assets	Land	Land
	Buildings and structures	New buildings and structures
		Existing buildings
	Rolling stock	
	Plant, machinery and equipment	
	Computer equipment	Other tangible fixed assets (plant, machinery, rolling stock, etc.)
Intangible fixed assets	Other	
		Computer software
		Concessions, patents, licences, knowhow, trade marks
		Other intangible fixed assets (research and development, goodwill, etc.)

(a) intended for self-employed persons

(b) intended for corporations

Note that for both the simplified and detailed survey, the data relating to tangible fixed assets is recorded excluding investments in leasing.

Table 3 sets out the investment information obtained via the supplementary statistical questionnaire¹⁰⁵ to the annual accounts.

¹⁰⁵ The "supplementary statistical questionnaire" replaces the detailed survey from 2003 onwards of enterprises that file annual accounts.

Table 3: Data on investments in supplementary statistical questionnaire to annual accounts

Abridged and full schedules	
Tangible fixed assets	Land
	Existing structures and built-on land
	New structures
	Other real property rights
	Installation and tooling
	Machines
	Furniture
	Transportation
	Earthmoving, road construction and hydraulic engineering
	Pollution control investments
Intangible fixed assets	Pollution prevention investments
	Computer software

5.11.2. Estimate of gross capital formation in tangible assets

This section further discusses the specific estimate of gross capital formation. For each sector it discusses which sources are used for the estimate.

5.11.2.1. Non-financial institutions (S.11)

5.11.2.1.1. Corporations with full annual accounts (A1)

When estimating the gross capital formation for category A1 a distinction is made between two subcategories, namely A11 and A12. The difference between the two categories lies in the timescale of the annual accounts filed by the institutional units in this sector and category. After all, unlike the national accounts (which are drawn up per calendar year) a corporation may draw up annual accounts that do not coincide with the calendar year¹⁰⁶. When the financial year coincides with the calendar year there is no problem and the value of the investments can be read from the annual accounts relatively easily. These units form subcategory A11. When the financial year does not coincide with the calendar year it is not so easy to deduce the investments for the calendar year from the annual accounts. Unlike some variables such as output (P.1) or intermediate consumption (P.2) it is not desirable to use a pro rata value for the investments to make estimates. After all, it

¹⁰⁶ The financial year may for example run from 30 June 19n0 to 30 June 19n1.

can be stated a priori that investments are not necessarily made at the same steady rate as can be expected for example for P.1 and P.2. A corporation whose financial year runs from 30 June 19N0 to 30 June 19N1 may for example make a single large investment in machinery in October 19N0. If pro rata data are then used to estimate the investments in 19N0, half of the investment amount would be allocated to 19N0 and the other half to 19N1. In actual fact however the whole amount should be allocated to 19N0. Corporations whose financial year does not coincide with the calendar year are therefore included in category A12.

5.11.2.1.1.1. A11: financial year = calendar year

As a result of the accounting law corporations that have taken over other corporations must record the value of the tangible fixed assets taken over as investments. According to ESA 1995 these amounts are however not investments. The result of this is that the 'real' investments must be distinguished from the amounts of take-overs. In practice the annual accounts offer no absolute certainty as to whether or not a corporation has taken over other corporations. If however an amount is indicated in heading 829 of the notes to the annual accounts (e.g. the depreciation and losses on assets acquired from third parties recorded during the financial year) it can be assumed that a take-over has occurred. That enables subcategory A11 to be further broken down into A111 (corporation has not carried out any take-overs) and A112 (corporation has carried out take-overs).

- A111: The corporation has not carried out any take-overs

Investments of corporations in category A111 are estimated using the data from the annual accounts filed with the Central Balance Sheets Office of the National Bank of Belgium. An overview of the headings used is given in table 1 (cf. 5.10.1.1).

To estimate the investments of category A111 the total of tangible fixed assets (heading 8169) is taken as a starting point. This amount covers the value of acquisitions of tangible fixed assets during the financial year (that in this case is the same as the calendar year). This total does not however meet the requirements of ESA 1995 for talking about gross capital formation. In order to comply as far as possible with ESA 1995 three further adjustments must be made.

- The first adjustment concerns capitalised interest (heading 6503).
According to Belgian accounting legislation interest payable on loans entered into with a view to the construction of assets must be capitalised, i.e. included in the acquisition value of the capital asset. According to ESA 1995 these amounts must be transferred back to the interest paid and deducted from the total of heading 8169.
- The second adjustment relates to the content of heading 8161 of the annual accounts. This heading includes both acquisitions of buildings and land. According to ESA 1995 the acquisition of land is not however an investment, which means that an adjustment must be

made for this heading. Since there is no direct information in the annual accounts relating to the acquisition of land, other source data are used to make this adjustment. More particularly the heading INVAQ04 of the structure survey ('acquisition of land') is used. After all, almost every A1 corporation also completes a structure survey as a result of which the adjustment for the acquisition of land can be made relatively easily: the amounts in the heading INVAQ04 of the structure survey are deducted from heading 8169 of the annual accounts

- For branches 71A and 71B (renting of machines and plant without operator and of other movable assets), a specific adjustment is made to take into account that owing to the nature of their activity their acquisitions of tangible fixed assets (8169) cover more than their actual investments. It is therefore necessary to deduct disposals and decommissionings from their investments (annual accounts heading 8179).

Gross capital formation for sector S.11 and category A111 (millions of euros, 2003)		
Total gross capital formation from the annual accounts		15 114.0
Adjustment capitalised interest	-	47.1
Adjustment acquisitions of land	-	73.5
Specific adjustment for sectors 71A and 71B (8179)	+	-1 630.1
Total gross capital formation	=	13 363.3

A112: The corporation has carried out take-overs

If it is suspected that a corporation has carried out take-overs (i.e. if amounts are indicated in heading 829 of the annual accounts), the annual accounts are not used to estimate the gross capital formation. For institutional units from this category (A112) the VAT returns are used as the main data source. As already indicated (cf. 5.10.1.2) the VAT return only contains 1 heading, namely heading 83, that refers to investments. Because of the different legislation for annual accounts and VAT returns, heading 83 of the VAT return does not however contain the amounts of any take-overs made by the corporation. The gross capital formation is therefore estimated by totalling the values of heading 83 of the different institutional units. Since for each unit from this category annual accounts with a full accounting schedule also exist, the adjustment for the capitalised costs can be made in the same way as described in the previous point. Also the adjustment for land can be made using the structure survey for each of the units. Sectors 71A and 71B are also subject to the specific adjustment made to take into account disposals of assets.

Gross capital formation for sector S.11 and category A112 (millions of euros, 2003)		
Total gross capital formation from the VAT return		1 114.9
Adjustment capitalised interest	-	1.1
Adjustment acquisitions of land	-	17.9
Specific adjustment for sectors 71A and 71B (8179)	+	-3.5
Total gross capital formation	=	1 092.4

5.11.2.1.1.2. A12: financial year <> calendar year

Category A12 consists of units for which the financial year does not coincide with the calendar year. To rectify this the VAT returns are used as the main data source because these returns always relate to the calendar year. However the pro rata determination problem (cf. 5.10.2.1.1) cannot be entirely remedied. After all, to make adjustments to capitalised costs, the amounts found in the annual accounts are still determined pro rata. Furthermore the adjustment for land can also be made since a structure survey is available for each institutional unit from this category.

Gross capital formation for sector S.11 and category A12 (millions of euros, 2003)		
Total gross capital formation from the VAT return, of which		1 913.9
Adjustment capitalised interest	-	0.2
Adjustment acquisitions of land	-	6.0
Specific adjustment for sectors 71A and 71B (8179)	+	-37.4
Total gross capital formation	=	1 870.3

5.11.2.1.2. Large corporations with no annual accounts (A2)

This category includes (large) institutional units that do not have annual accounts. The VAT returns and the structure surveys are used to estimate the gross capital formation of these units. As a basis for estimating gross capital formation heading 83 of the VAT return is taken. To make the adjustment for land acquired the individual structure surveys are also used. Since no annual accounts are available for A2 corporations and in view of their minor importance, no adjustment is made for capitalised interest.

Gross capital formation for sector S.11 and category A2 (millions of euros, 2003)		
Total gross capital formation from the VAT return	+	605.1
Adjustment for land	-	6.1
Total gross capital formation	=	599.0

The total acquisitions of tangible fixed assets for large corporations with a full accounting schedule (A1) therefore amount to:

Gross capital formation for sector S.11 and category A1 (millions of euros, 2003)	
A11: financial year = calendar year	14 455.7
A111: no take-overs in financial year	13 363.3
A112: take-overs in financial year	1.092.4
A12: financial year <> calendar year	1 870.3
Total acquisitions	= 16 326.0

5.11.2.1.3. SME corporations with an abridged accounting schedule (B.1, B.2, C1 and C2)

The investments for categories B.1, B.2, C1 and C2 are estimated in the same way using the data from the Central Balance Sheets Office. From the nature of the categories it follows that only abridged schedules are available for the annual accounts. As a result the same detail is not available as for the annual accounts in category A1.

An adjustment is on the other hand made for acquisitions of land. Since a structure survey is not available for every corporation, adjustments cannot however be made on an individual basis. For these corporations for each industry the acquisitions of land indicated in the available structure surveys are totalled. These amounts are then related to the total investments also indicated in the structure surveys. The proportions that are then obtained can be applied to the total investments per industry calculated from the corporations' annual accounts.

Gross capital formation for sector S.11 and categories B.1, B.2, C1 and C2 (millions of euros, 2003)		
Total gross capital formation from the annual accounts for B.1	+	2 894.0
Adjustment acquisitions of land for B.1	-	188.9
Adjustment capitalised interest for B.1	-	5.1
Subtotal gross capital formation B.1	=	2 700.0
Total gross capital formation from the annual accounts for B.2	+	6 466.8
Adjustment acquisitions of land for B.2	-	330.7
Adjustment capitalised interest for B.2	-	6.3
Subtotal gross capital formation B.2	=	6 129.8
Total gross capital formation from the annual accounts for C1	+	130.2
Adjustment acquisitions of land for C1	-	0.9
Adjustment capitalised interest for C1	-	0.1
Subtotal gross capital formation C1	=	129.2
Total gross capital formation from the annual accounts for C2	+	453.4
Adjustment acquisitions of land for C2	-	0.3
Adjustment capitalised interest for C2	-	0.6
Subtotal gross capital formation C2	=	452.5
Total gross capital formation	=	9 411.5

5.11.2.1.4. SME corporations with no annual accounts (B.3)

To estimate the gross capital formation of B.3 units the VAT returns (heading 83) are used as the main source. For these units an adjustment for land is also made that is estimated in the same way as for categories B.1, B.2, C1 and C2 (cf. 5.10.2.1.3).

Gross capital formation for sector S.11 and category B.3 (millions of euros, 2003)		
Total gross capital formation from the VAT return	+	1 317.7
Adjustment acquisitions of land	-	23.7
Total gross capital formation	=	1 294.0

5.11.2.1.5. Non-profit associations (H)

In this category a distinction must be made between units that are or are not VAT-registered. For VAT-registered units the VAT returns are used. Note however that, except for an adjustment for land acquired, no additional adjustments are made for the H units. For non-VAT-registered units in practice an estimate is only made for hospitals. This estimate is based on information from a financial analysis of the hospital sector by the FPS Public Health, Food Chain Safety and Environment. Until very recently, this information was available with some delay. This meant that,

for the year in question, the data were not yet available and an estimate was made based on historical data.

Gross capital formation for sector S.11 and category H (millions of euros, 2003)		
Total gross capital formation from the VAT return	+	284.0
Adjustment acquisitions of land	-	7.3
Total investments of hospitals	+	487.4
Total gross capital formation	=	764.1

Gross capital formation for sector S.11 (millions of euros, 2003)		
Total A1	+	16 326.0
Total A2	+	599.0
Total B.1	+	2 700.0
Total B.2	+	6 129.8
Total B.3	+	1 294.0
Total C1	+	129.2
Total C2	+	452.5
Total H	+	764.1
Total gross capital formation for sector S.11	=	28 394.6

5.11.2.1.6. Investments in residential buildings in S.11

Gross fixed capital formation in the form of housing is mainly done by S.14 and is therefore addressed below in section 5.10.2.4.2 of the chapter on the households sector.

Nevertheless, the portion of these investments has to be attributed to S.11 to take into account the investments made by them in social housing intended for renting. Part of the investments of social housing enterprises in dwellings intended for acquisition by households has to be classified among the investments of sector S.14.

This amount has to be added to acquisitions less disposals of tangible fixed assets estimated on the basis of administrative sources in the form of annual accounts and VAT and the structure survey.

Social housing construction and conversion (in millions of euros, 2003)	
S.11 (for renting)	376.2
S.14 (for sale)	32.6
Total	408.8

5.11.2.1.7. Estimate of disposals of tangible existing fixed assets in S.11

At the moment there is not sufficient basic information for sector S.11 to make an accurate estimate of the disposals of existing fixed assets. To avoid overestimating the gross fixed capital formation it is assumed that the economic units each year sell an amount of existing fixed assets to the value of approx. 3% of their acquisitions of fixed assets.

After arbitrage, acquisitions less disposals of tangible fixed assets for sector S.11 thus work out as follows:

Acquisitions less disposals of tangible fixed assets for sector S.11 (in millions of euros, 2003)		
Total acquisitions (excluding social housing)		28 394.6
Investments in social housing	+	376.2
Disposals	-	757.9
Arbitrage	+	375.0
P.511	=	28 387.9

5.11.2.2. Financial institutions (S.12)

5.11.2.2.1. Central Bank (S.121)

The investments of sector S.121 are estimated on the basis of the annual accounts of the National Bank of Belgium.

5.11.2.2.2. Other monetary financial institutions (S.122)

For sector S.122 an estimate is made on the basis of the results of the structure survey for financial institutions.

5.11.2.2.3. Other financial intermediaries, except for insurance corporations and pension funds (S.123), and financial auxiliaries (S.124)

The investments for sector S.123 as well as for sector S.124 are estimated using the annual accounts. The approach is fully comparable with that in S.11, disposals are also taken into account.

5.11.2.2.4. Insurance corporations and pension funds (S.125)

To estimate the investments in sector S.125 the structure survey into insurance corporations is used as a source.

Acquisitions less disposals of tangible fixed assets of sector S.12 (millions of euros, 2003)				
	Acquisitions	Disposals	Netting	Total
S.121 + S.122	673.3	408.4	-	264.9
S.123	713.8	21.3	25.0	717.5
S.124	86.0	2.6	-	83.4
S.125	235.8	103.5	-	132.3
S.12	1 685.0	511.9	25.0	1 198.1

5.11.2.3. General government (S.13)

To estimate the gross capital formation of the general government sector detailed government accounts are used as a source. The following description also covers investments in tangible fixed assets and intangible fixed assets.

5.11.2.3.1. Federal Government (S.1311) and Communities and Regions (S.1312)

In the Benelux economic regrouping, investments appear under economic code 70 - Investments and disinvestments.

This main group comprises operations relating to gross capital formation by general government, other than purely military investments. Ancillary costs (e.g. registration fees associated with the purchase of fixed assets and intangible assets, architect's fees, etc.) and the cost of modernising fixed assets that increases their value are treated as investments.

Purchases and sales by general government of real-estate abroad, and construction outside of territorial enclaves, are not classified to main group 7, but groups 84 and 88, "acquisition and disposal of holdings outside Belgium ". Conversely, construction in these territorial enclaves (e.g. construction of embassies) is regarded as investment.

The following borderline cases are regarded as investments:

- military infrastructures and facilities similar to those used by civilian producers: airports, harbour installations, roads, hospitals, etc;
- light weapons and armoured vehicles used by non-military units;

- animals used for production purposes for several years: breeding stock, dairy cattle, sheep raised for wool and draught animals;
- permanent production plantations: fruit trees, vines, palm trees, etc;
- improvements to existing fixed assets which are significantly beyond the scope of current maintenance and repair;
- fixed assets acquired by financial leasing;
- literary and artistic original works;
- purchases of or user licences for software have to be recorded as investments if both of the following conditions are met:
 1. repetitive or continuous production process use for more than one year;
 2. acquisition cost (including VAT) exceeding €500 (at 1995 prices) per unit (or per order in the case of large purchases);
- development of customised software must also meet these two conditions, whether developed by an external firm or on own account. If produced on own account, it is valued at cost price.

The following are not regarded as investments and are classified as intermediate consumption:

- purchases of inexpensive small tools for fairly simple tasks or operations: hand tools, such as saws, hammers and screwdrivers, and small accessories such as pocket calculators. By convention, ESA records as intermediate consumption all expenditure related to the acquisition of such durable assets not exceeding €500 per article (at 1995 prices) or with a total value not exceeding this ceiling in the case of large purchases, even if their normal service life is more than a year;
- current maintenance and repair work;
- purchases of weapons of war and associated equipment.

(i) Code 70 – Not broken down

(ii) Code 71 – Purchase of land and buildings in Belgium

Code 71 concern purchases of land and buildings by general government in Belgium.

These land purchases include those intended for the construction of buildings and those for civil engineering work, insofar as these two kinds of operations are separable.

(iii) Code 72 - Construction of buildings

This mainly comprises buildings intended for civilian administrative services and schools. It also includes other civilian buildings constructed by government, such as laboratories, museums and staff living accommodation. Any demolition work prior to construction is also included.

All integral parts of buildings, central heating, sanitary facilities, lifts, air-conditioning, etc. are included in "construction of buildings".

Major work on existing buildings which results in an increase in their value, and major maintenance work, are also regarded as investments. Code 72.1 is used where work is carried out by sectors other than the general government sector, code 72.2 where it is carried out by government using its own personnel and equipment, and code 72.3 when it is carried out by other parts of general government.

The repair of damage resulting from war or natural disasters is regarded as construction.

(iv) Code 73 - Civil engineering

This comprises the construction of roads, streets, ports, canals, dikes, sanitation facilities, sewage treatment plants, other hydraulic engineering works, site modification works and all associated technical structures and installations, such as bridges, tunnels, viaducts, dams, locks, beacons, road signage, road lighting and landscaping. Demolition work and the repair of damage resulting from war or natural disasters also fall within group 73.

These investments have to be separated from repair and maintenance (cf. 3.18).

Group 73 also includes work done in-house or by third parties (other administrations or other sectors).

73.1 Roads

This comprises highways (from motorways to cycle tracks), civil engineering works, viaducts, tunnels, bridges, drains and various mechanical and electrotechnical equipment, and landscaping. Parking areas also come under 73.1, unless operated by enterprises.

73.2 Hydraulic engineering

This comprises construction of ports, canals, bodies of water, ferry crossings, dikes and other hydraulic works and the construction of sewage treatment plants, sanitation systems and the modification of natural waterways (e.g. by canalisation).

Ancillary amenities, e.g. landscaping, and mechanical and electrotechnical equipment, are also classified as "hydraulic engineering" unless operated by enterprises (e.g. cranes).

73.3 Pipelines

This code likewise also includes associated technical facilities and landscaping.

73.4 Other works

These include site preparation and levelling before construction, and ground modification work (consolidation, sanitation, etc.) and creation of sports grounds. Demolition work prior to works in 73.1 to 73.4 is also classified under this code.

(v) Code 74 - Acquisition of other investment goods, including intangible assets

Purchases of capital goods whose normal lifetime exceeds one year and with a value not exceeding €500 (at 1995 prices) per article (or a total value not exceeding this ceiling where large purchases are concerned) are also treated as investments or disinvestments.

74.1 Purchase of means of transport

74.2 Acquisition of other equipment

74.3 Expenses associated with purchases and sales of land and buildings

These include expenses relating to transfers of ownership, such as notarial fees, taxes, other dues and surveyors' fees.

74.4 Acquisition of licences, patents and other intangible assets

74.5 Acquisition of valuables

74.6 Farmed assets (plants and animals)

74.9 Operations carried out in-house.

(vi) Code 76 - Sales of land and buildings in Belgium

Code 76 covers sales of land and buildings by general government in Belgium (cf. code 71).

(vii) Code 77 - Sales of other investment goods, including intangible assets

Sales of investment goods under code 77 correspond to purchases of them under code 74.

5.11.2.3.2. Local authorities and social security administrations

Investments by local authorities (S.1313) are estimated on the basis of data from the annual "Local Government Finances" study carried out by *Crédit Communal de Belgique* (now DEXIA Banque). This estimate is based on the amounts of funds lent for investments by financial institutions to local authorities, on investment aid received from "subsidising authorities" and on investment funding arrangements which make it possible to take account of self-financing.

Investments by social security administrations are estimated on the basis of Federal Ministry of Social Security data.

5.11.2.3.3. Calculation of acquisitions less disposals of tangible fixed assets (P.511)

<i>Data for 2003 (millions of euros)</i>	
Federal Government (S.1311)	
Code 72	36.0
Code 73	+ 57.9
Code 74, excluding intangible assets (74.4) and valuables (74.5)	+ 112.7
Code 76, excluding land (76.1)	+ 826.2
Code 77	+ 115.5
Differences in definition of "Federal Government"	+ 251.0
<i>Subtotal</i>	- 53.0
Communities and Regions (S.1312)	- 14.4
Code 70	+ 25.9
Code 71	+ 237.4
Code 72	+ 201.2
Code 73	+ 134.0
Code 74, excluding intangible assets (74.4) and valuables (74.5)	= 1 930.4
Investments in private education	
Code 76	2 013.0
Code 77	= 2 013.0
RTBF, VRT, BRF	
AQUAFIN	73.6
De Lijn, STIB, TEC	= 73.6
Differences in definitions of "Communities" and "Regions"	= 4 285.2
<i>Subtotal</i>	36.0

Local authorities (S.1313)	+	57.9
Investments	+	112.7
<i>Subtotal</i>	+	826.2
Compulsory social security (S.1314)	+	115.5
Investments	+	251.0
<i>Subtotal</i>	-	53.0
S.13 total	-	14.4

5.11.2.4. Households (S.14)

5.11.2.4.1. Investments in tangible fixed assets of self-employed persons

Because of the nature of sector S.14 it follows that only units of categories A2 and B.3 can belong to it. Both categories are also treated in the same way as regards estimating investments. Since there are a large number of units within S.14 that are not VAT-registered, it is useful to make a distinction for this criterion.

For VAT-registered units the same methodology is followed as that used in category B.3 within sector S.11.

For non-VAT-registered corporations investments are estimated on the basis of the structure survey. The proportion of investments to production is calculated for all non VAT-registered declarants within a particular industry. This proportion is then applied to the total production of non VAT-registered corporations in this industry. In this way an estimate is obtained of the investments for the whole industry.

Gross capital formation for sector S.14 (excl. residential property) (million euros, 2003)		
VAT-registered units, of which		1 642.1
◆ Total A2	+	2.4
◆ Total B.3	+	1 639.7
Non VAT-registered units	+	343.9
Total	=	1 986.0

5.11.2.4.2. Investments in residential property

5.11.2.4.2.1. Estimate of GFCF in residential property: working framework and subdivisions

Gross fixed capital formation in residential property (housing) comprises dwellings in residential buildings, the construction of social housing, corresponding conversions, dwellings in non-

residential buildings and registration fees. Residential property comes under SUT product 45B01: construction of housing and other residential property.

The purpose of the method used is to comply with the recommendations of the Construction Task Force of the GNP Committee to the effect of differentiating types of structure, cost of each type and average construction period per type. The Task Force also recommends using statistics on building permits that include type of structure and start and completion dates, on the basis of permits actually used.

5.11.2.4.2.2. New dwellings in residential buildings

Investment in new dwellings in residential buildings is estimated in volume terms via monthly DGSEI statistics on actual housing starts (building permits actually used) and in price terms via an average output price index obtained from the Bank's survey of general building contractors that have signed up to the Charter of General Building Contractors (cf. 11.1.14, 11.1.15 and 11.1.16). Eurostat's Construction Task Force recommends:

- establishing a relationship between building permits granted and those used, hence the usefulness of statistics on housing starts;
- estimating an average construction period, hence the survey of general building contractors referred to below.

DGSEI statistics on building permits cover both dwellings intended for one family and multi-dwelling properties.

Statistics on dwellings in residential and non-residential buildings and related conversions published by the DGSEI cover both construction work or conversions and authorisations, but we only use actual starts.

The transition from statistics on starts to statistics on completions is done by spreading payments over an average construction period. The spread of payments and the average construction period of new dwellings is estimated via the specific survey of general building contractors who have signed the Charter of General Building Contractors. These contractors provide data on construction times broken down by single-unit and multi-unit structures. We use a weighted average based on the number of dwellings of each type built, as recommended by the Construction Task Force of the GNP Committee.

This new survey of general building contractors yields much better results which are more accurate than the data used in the national accounts up to 1995 (a theoretical construction period and fixed percentages of the building price paid during each month of construction).

Since 1996, the year of the first survey, we have used the new data on construction times, the spread of payments and prices. This price index of new dwellings is obtained from the average overall price of each type of dwelling, weighted by the number of dwellings of each type. In line with Eurostat recommendations, the survey provides results broken down by type of dwelling.

The survey of general building contractors covers more than 100 contractors and has been carried out every two years since 1996. The questionnaire is kept short to limit the administrative burden on firms. The index of input prices (cost index) used up to 1995 is now used to split the biennial output index obtained from the survey into single years. The input index includes a labour cost index and price index of industrial products used in the construction process.

The spread of payments gives an indication of the proportion of the total building price paid in each month of construction. It means that, for any given month, the number of dwellings includes only some of those started in that month plus some of those started in previous months. Given a certain estimated average construction time, the number of previous months whose production is partly included in the total for the given month will not exceed the rounded average construction time.

5.11.2.4.2.3. Conversions (including social housing)

Conversion work on new dwellings is estimated via existing DGSEI statistics, and that on social housing by data in the annual reports of social housing enterprises.

More precisely, the volume of conversion work in residential buildings is estimated from the DGSEI housing conversion statistics) and from an average price which is proportional to that of new dwellings in residential buildings.

5.11.2.4.2.4. Construction of social housing

In terms of price, social housing is estimated using the same index as that for ordinary new dwellings. In terms of volume, it is estimated directly from information contained in the operating reports of Brussels, Walloon and Flemish regional housing associations.

5.11.2.4.2.5. Dwellings in non-residential buildings

Dwellings in non-residential buildings are estimated from DGSEI statistics on non-residential construction starts. The estimate of dwellings in non-residential buildings uses the price index for dwellings in residential buildings and data on the spread of payments and the average construction period to effect a transition from starts to completions. The method for converting from statistics on

dwellings in non-residential building starts to dwellings in completed residential buildings is entirely similar to that described above for dwellings in residential buildings.

Gross fixed capital formation in residential property comprises dwellings in residential buildings, the construction of social housing, corresponding conversions and dwellings in non-residential buildings.

Gross capital formation in residential buildings (millions of euros, 2003)	
Construction of residential buildings	+ 8 038.7
Conversions of residential buildings	+ 2 061.2
Construction of social residential buildings	+ 159.6
Conversions of social residential buildings	+ 249.2
Other	+ 56.7
Insurance corporations	+ 43.0
Total investments in residential buildings	= 10 608.4
Registration duties	+ 2 219.3
Total	= 12 827.7

These investments are mainly by households (S.14). Sector S.11 covers investments by social housing enterprises in dwellings to rent (cf. 5.10.2.1.6). A marginal amount of housing investment is done by insurance enterprises under a European Directive requiring them to invest a minimum amount in dwellings.

Housing investment by sector (millions of euros, 2003)	
S.14	12 408.5
S.11	376.2
S.125	43.0
Total	12 827.7

5.11.2.4.3. Estimate of disposals of tangible existing fixed assets in S.14

At the moment there is insufficient basic information for sector S.14 to make an accurate estimate of the disposals of existing fixed assets. To avoid overestimating the gross fixed capital formation it is assumed that the economic units each year dispose of an amount of existing fixed assets to the value of approx. 3% of their acquisitions of fixed assets.

Sector S.14 acquisitions less disposals of tangible fixed assets thus break down as follows:

Acquisitions less disposals of tangible fixed assets for sector S.14 (millions of euros, 2003)		
Acquisitions by self-employed persons		1 986.0
Disposals by self-employed persons	-	49.8
Investments in residential buildings	+	12 408.5
P.511	=	14 344.7

5.11.2.5. NPIs serving households (S.15)

Sector S.15 investments are estimated mainly on the basis of the structure survey of associations.

Acquisitions less disposals of tangible fixed assets for sector S.15 (millions of euros, 2003)		
Acquisitions		138.9
Disposals	-	4.8
P.511	=	134.1

5.12. BALANCE OF PURCHASE AND SALE INTANGIBLE FIXED ASSETS (P.512)

Investments in intangible fixed assets are in computer software and in original works. The methods for estimating both categories are described below. A third aspect is the breakdown by subsector of S.13 investments in such assets.

The following table breaks down by sector the total acquisitions less disposals of intangible fixed assets.

Total acquisitions less disposals of intangible fixed assets <i>(in millions of euros, 2003)</i>	
S.11	2 433.3
S.12	511.6
S.13	262.0
S.14	75.6
S.15	23.5
P.512	3 306.0

5.12.1. Computer software

The estimated gross fixed capital formation in software comprises both purchased and self-produced software. In this context, account is taken of the recommendations of Eurostat's Software Measurement Task Force, mainly concerning the self-produced output of software. The main changes comprise taking intermediate consumption, fixed capital consumption and operating surplus into account in addition to compensation of employees, the estimated output of self-produced software for the IT industry and the adaptation of the ratio used for estimating the time spent by computer staff on programming (50% instead of 60%).

5.12.1.1. Purchased software

Purchased software is estimated on the basis of structure survey (SSE) data on software acquisitions recorded as intermediate consumption and those recorded as fixed assets.

The SSE data on software acquisitions recorded as intermediate consumption are extrapolated to all enterprises combined, on the basis of turnover.

The SSE data on software acquisitions recorded as fixed assets are added to the investments of enterprises.

5.12.1.2. Software produced for own account

There are no usable administrative data for estimating self-produced software. We follow the Task Force's recommendations in assuming that this type of investment is equal to the sum of the costs pertaining to this activity, comprising computer staff remuneration, intermediate consumption, fixed capital consumption and operating surplus (by applying a mark-up).

Two kinds of information are used for calculating computer staff remuneration. The number of such staff in each branch of activity is known (to NACE 2-digit level of detail) from the workforce survey conducted by the DGSEI, and the average salary of computer staff in a number of branches is known from a survey conducted by KUL (the Catholic University of Leuven). Computer staff remuneration is therefore arrived at by multiplying the number of computer staff in each branch by their average salary in that branch. A 50% coefficient is then applied to the resulting amount to cater for the time such staff spend on software development.

As regards inputs not relating to employment, intermediate consumption relating to self-produced output of software is assumed to represent 33% of wages, based on a general government cost structure characterised by activity such as software development that involves a substantial workforce. A 7% mark-up is then applied to the results to take into account the gross operating surplus (which combines fixed capital consumption and net operating surplus). The latter is defined on the basis of the cost structure of branch 72A1.

For the IT industry (branch 72A1), the coefficient used for estimating the time spent by computer staff on software development cannot be used as such, since some of the software developed in this way is intended for sale. It is therefore necessary to take only the time spent on developing software originals (copies of which are subsequently sold) and the time spent on developing software that will only be used by the same enterprise. On the basis of VAT turnover and structure survey annex data on turnover (table OC) for this branch, it is assumed that 15% of branch 72A1 computer staff are actively involved in the development of originals. It is supposed that only computer staff in the "Software creation" branch (NACE 72.2) are likely to be actively engaged in the development of originals (representing 40% of IT industry turnover according to VAT data) and that in this branch nearly 40% of turnover is on software development (product 72.2). A 15% ratio is therefore adopted as the estimated proportion of computer staff involved in software development.

Gross fixed capital formation in software (millions of euros, 2003)		
Self-produced software	+	2 048.3
Purchased software recorded as intermediate consumption	+	523.8
Purchased software recorded as fixed assets	+	476.6
Total	=	3 048.7

5.12.2. Originals in word, image and sound

As recommended by the Task Force on Entertainment, Literary and Artistic Originals, the estimation of gross fixed capital formation in the form of originals covers literary and musical works and the production of films and certain TV and radio programmes that are comparable to inventories. Film production comprises both cinema and television. Radio and TV programmes may be rebroadcast over time and therefore have a longer life¹⁰⁷.

As recommended by the Task Force, two different methods of estimation are applied according to the existence or otherwise of royalties associated with such originals and managed by copyright management societies.

Where copyright and related rights generated by a work are collected mainly via management societies, the output of original works is estimated on the basis of the royalties paid by all the Belgian management societies combined to Belgian recipients¹⁰⁸. This applies to newspaper publishers (NACE 22.12), magazine and periodical publishers (NACE 22.13), sound recording publishers (NACE 22.14) and artists other than writers (NACE 92.31).

Where copyright and related rights are managed only partially or not at all by a management society, the production of original works is estimated on the basis of creation costs plus a net operating surplus. Creation costs comprise remuneration of employees, intermediate consumption and fixed capital consumption. The branches of activity where a cost method is used comprise book publishers (NACE 22.11), film producers (NACE 92.111 and 92.112), radio and TV activities (NACE 92.20) and book authors (NACE 92.31).

¹⁰⁷ Documentaries, plays, certain musical programmes etc.

¹⁰⁸ Information gathered from copyright management societies by the Federal Economy Ministry's department that supervises them.

Gross fixed capital formation in original works (millions of euros, 2003)		
22A1_S.11	+	72.4
92A1_S.11	+	105.5
92A3_S.13	+	3.8
92B.1_S.14	+	75.6
Total	=	257.3

5.12.3. Acquisitions less disposals of intangible fixed assets for Sector S.13

For a description of the method for calculation of investments by own means, see the passage on the production of software for own account and original works (cf. 5.11.1.2 and 5.11.2).

<i>Data for 2003 (millions of euros)</i>	
Federal Government (S.1311)	
Code 74.4	0.6
Investments by own means	+ 170.6
<i>Subtotal</i>	= 171.2
Communities and Regions (S.1312)	
Investments by own means	77.6
<i>Subtotal</i>	= 77.6
Local authorities (S.1313)	
Investments by own means	0.0
<i>Subtotal</i>	= 0.0
Compulsory social security (S.1314)	
Investments by own means	13.2
<i>Subtotal</i>	= 13.2
Total S.13	= 262.0

5.13. ADDITIONS TO THE VALUE OF NON-PRODUCED NON-FINANCIAL ASSETS (P.513)

For this component of gross fixed capital formation cf. 5.10. These elements are included in the acquisition value of tangible fixed assets and cannot be isolated.

5.14. CHANGES IN INVENTORIES (P.52)

Changes in inventories play a part in estimating GDP both in the output approach (estimate of value added) and in the expenditure approach.

5.14.1. Treatment of changes in inventories in the estimate of production and intermediate consumption

5.14.1.1. Available information in the annual accounts

Corporations with a *full accounting schedule* state both changes in produced inventories and changes in acquired inventories in the profit and loss account.

Corporations with an abridged *accounting schedule* do not state changes in inventories in their profit and loss account. Only the book value of inventories at the end of the financial year is known. The changes in inventories for corporations with an abridged accounting schedule are deduced by reducing the book value of inventories at the end of year N (indicated in the balance sheet of annual accounts N) by the book value of inventories at the end of year N-1.

Totalling the changes in inventories of corporations with full and abridged accounting schedules gives the total accounting changes in inventories for non-financial corporations.

The *produced* inventories (goods in process, finished goods, work-in-progress) are recorded in account 71 of the statutory accounting system (increase +, decrease -) and form part of total production. If these goods are sold in a later period a reduction in inventories is recorded (71: -); at the time of the sale in this case no production is made because the turnover (70: +) is offset by a decrease in the inventories (71: -). The goods in process and finished goods are valued at cost (producers' price). The work-in-progress may contain a proportion of imputed profit.

The *purchased* goods (materials and supplies and goods for resale) that are taken into stock or delivered from stock, are recorded in account 609 (increase: -, decrease +). The materials stocked during the period are deducted from acquisitions to calculate intermediate consumption; if in a previous period acquired materials are consumed in the production process, acquisitions for the period are increased by this change in inventory to obtain intermediate consumption.

The changes in inventories of goods for resale are taken into account in estimating the production (trade margins) and value added in trade.

5.14.1.2. Estimate of holding gains/losses on inventories

In order to arrive at changes in inventories valued according to the national accounts (P.52) the accounting changes in inventories are corrected for holding gains/losses, in this case non-physical changes in inventories due to price fluctuations for goods in stock between the time when they were taken into stock and their inclusion in the production process (sale).

The adjustment for holding gains/losses, only calculated for corporations with annual accounts, is explained more fully below among other things with a notional worked example.

The accounting legislation in Belgium allows different systems for valuations of inventories (LIFO [Last In First Out], FIFO [First In First Out], average prices, individual prices). Depending on the method chosen, if the prices of purchased goods fluctuate, the value of the closing stock will differ and therefore also the amount of changes in inventories, gross margin (value added) and profit.

This is illustrated using a notional example. A corporation on 31/12/2001 has a stock of purchased goods (materials or goods for resale) of 500 units valued at EUR 1/unit. In 2002 and 2003 each month 500 units are purchased and processed (materials) or sold on (goods for resale). This means that the physical changes in inventories are equal to zero in 2002 and 2003. The prices of purchased goods rise by 12% in 2002 and fall by 2% in 2003:

Time	Price index inventories
31/12/2001	100
31/12/2002	112
31/12/2003	109.8

The value of the closing stock for LIFO and FIFO valuation, the two forms of inventories valuation most commonly used, is as follows:

Inventories (in EUR) as of	FIFO	LIFO
31/12/2001	500	500
31/12/2002	560	500
31/12/2003	549	500

In the case of FIFO valuation first the value of the opening stock is set off in the cost of the goods sold and then the acquisitions from January to November. The 500 units purchased in December 2002 are included in the closing stock as of 31/12/2002 at EUR 560 (= 500 units * EUR 1.12/unit).

The following year first this opening stock is set off (EUR 560) and then the acquisitions from January to November. The acquisitions from December 2003 appear in the balance sheet as of 31/12/2003 at EUR 549 (=500 units * EUR 1.098/unit).

In the case of LIFO valuation first the acquisitions from December are set off in the cost of the goods sold and then those from November to January. The 500 units of goods in stock in other words are valued at EUR 1/unit of EUR 500 (value as of 31/12/2001).

The effects of FIFO and LIFO on the balance sheet and the profit and loss account of the corporation are set out in the following tables¹⁰⁹:

Balance sheet		2001	2002	2002	2003	2003
		FIFO	LIFO	FIFO	FIFO	LIFO
Assets	Inventories	500	560	500	549	500
	Bank	200	1 800	1 800	3 500	3 500
Liabilities	Capital	700	700	700	700	700
	Reserves	0	1 660	1 600	3 349	3 300

Profit and loss account		2002	2002	2003	2003
		FIFO	LIFO	FIFO	LIFO
Turnover	(A)	8 000	8 000	8.300	8 300
Acquisitions	(B)	6 400	6 400	6.600	6 600
Changes in inventories (Increase -, decrease +)	(C)	-60	0	11	0
Cost of goods sold	(D)	6 340	6 400	6.611	6 600
Gross margin	(A) - (D)	1 660	1 600	1.689	1 700

This shows that, in this example, only when the LIFO valuation method is used the changes in inventories are equal to 0 which corresponds to the physical reality.

A FIFO valuation results in the recording of an increase in inventories in 2002 and a reduction in inventories in 2003. Clearly only price effects play a part in this because the inventories at the end of 2001 are in fact revalued for the prices of December 2002 and December 2003 respectively.

The value added (gross margin) as this can be deduced from the annual accounts is affected by the amount of changes in inventories: in 2002 (rising prices) the value added resulting from a FIFO valuation of inventories is higher than for LIFO valuation, in 2003 (falling prices) the reverse is true.

¹⁰⁹ We assume that all acquisitions and disposals are also actually paid for, that the profit is reserved and that following items that may also affect the value added are equal to zero: changes in stocks of goods produced, self-produced assets, other operating income, acquisitions of services (61) and other operating costs (64 - 640).

As a result the change in value added (gross margin) in 2003 with respect to 2002 is also very different in the two systems:

Impact on the value added	2002	2003	2002-2003
FIFO	1 660	1 689	29
LIFO	1 600	1 700	100

The level and the growth of value added as this can be deduced from the annual accounts in other words depends on the inventories valuation system used.

In the national accounts the accounting changes in inventories must be netted for holding gains/losses.

In the above example the LIFO valuation gives accounting figures that correspond with the national accounts (and can therefore be used without adjustment).

The changes in inventories that appear for FIFO valuation must in this example all be regarded as holding gains/losses. An adjustment is made for this. If this adjustment were not made both the output and expenditure approach would give distorted figures. Building on the worked example for 2002 the following result is obtained (it is assumed that the turnover of manufactures is delivered abroad and that the materials purchased come from abroad).

		P.1	P.71	P.2	P.52	P.61
FIFO	Materials		6 400		60	
	Manufactures	8 000				8 000
	Value added					
	Output approach		output - intermediate consumption = 8 000 - 6 340 = 1 660			
LIFO	Expenditure approach		inventories + exports - imports = 60 + 8 000 - 6 400 = 1 660			
	Materials		6 400		0	
	Manufactures	8 000				8 000
	Value added					
	Output approach		output - intermediate consumption = 8 000 - 6 400 = 1 600			
	Expenditure approach		inventories + exports - imports = 0 + 8 000 - 6 400 = 1 600			

The adjustment for holding gains/losses on inventories is carried out in the transition table [adjustment (w)]. In this example (FIFO situation) an adjustment to the accounting changes in

inventories must be made for an amount of 60 as a result of which after adjustment this falls to 0 (P.52) and the value added is adjusted downwards by the same amount:

<u>administrative figures</u>	(w)	<u>amounts after adjustment</u>		
70 turnover	8 000	8 000		
A operating income	8 000	8 000	P.1	
600/8+61 acquisitions	6 400	6 400		
609 changes in inventories	-60	+60	0	P.52
B consumption of goods and services	6 340	6 400	P.2	
A-B value added	1 660	-60	1 600	B.1g

5.14.2. Changes in inventories as a component of expenditure

The amounts for changes in inventories included in the national accounts on the expenditure side do not of course automatically correspond to the amounts that can be deduced from the corporations' annual accounts because the output and expenditure approach must be aligned with one another. As a result of this netting process various autonomously estimated expenditure components (P.3, P.51, P.52. etc.) are changed.

The figures relating to changes in inventories that can be deduced from the corporations' annual accounts amount to EUR 742 million: EUR 335 million for full accounting schedules and EUR 407 million for abridged accounting schedules (book value).

Estimate of changes in inventories 2003 (S.11)		<i>(millions of euros)</i>
full accounting schedules	produced inventories	-20.2
	acquired inventories	355.4
	total	335.2
abridged accounting schedules	book value end of 2002	14 230.2
	book value end of 2003	14 637.0
	increase in inventories	406.8
full + abridged		742.0
netting		113.7
holding gains/losses		34.7
P.52_S.11	publication	890.4

For that year positive holding gains/losses were estimated in the amount of EUR 35 million. The amount for P.52 included in the accounts for that year for S.11 is EUR 890 million. The difference

between that amount and the figures from the annual accounts adjusted for holding gains/losses [113 = 890 - (742+35)] can be regarded as netting¹¹⁰.

Small amounts of changes in inventories are also estimated for S.14 and S.13¹¹¹. For natural person enterprises classified to S.14 only in the agriculture industry are changes in inventories estimated. Although changes in inventories also occur in other industries (processing industry, trade, construction) we do not have sufficient information to estimate meaningful amounts for this. Because this on average involves very small enterprises the amounts can also not be significant.

In total we get the following amounts for 2003:

P.52_S.11	890.4
P.52_S.14	-99.6
P.52_S.13	19.5
P.52_S.1	810.3

¹¹⁰ This could de facto also affect changes in inventories of corporations for which no annual accounts are available. It is assumed that the changes in inventories for this group of corporations are equal to zero.

¹¹¹ These can be deduced from the annual accounts of units classified in S.13.

5.15. ACQUISITIONS LESS DISPOSALS OF VALUABLES (P.53)

Provisionally no estimates can be made for these. In case of a future estimate for this transaction category the relevant amounts will no longer be included in consumption expenditure and/or investments. In other words there is no effect on GDP.

5.16. EXPORTS OF GOODS (P.61)

5.16.1. Sources

5.16.1.1. The balance of payments

- General comments

The Bank makes use of data collected by the Belgian-Luxembourg Exchange Institute (BLEI). The BLEI was set up in 1944 with a remit to draw up regulations for applying currency controls in the Belgo-Luxembourg Economic Union (BLEU). The regulations were scrapped in 1990 and, pursuant to a law of 2 January 1991, the BLEI now performs purely statistical tasks (collection and processing of data for balance of payments purposes).

Because Belgium and Luxembourg have been part of an economic union since 1921, and because the notes and coins of each country have been legal tender in the other, balance of payments data were compiled only for the BLEU as a whole up until 1994. This meant that Luxembourg's contribution had to be estimated and deducted from the BLEU's balance of payments in order to compile Belgium's balance of payments.

Since 1 January 1995, however, Belgium and Luxembourg have had separate data for their current accounts. This has made the adjustment superfluous. The reason for introducing separate current accounts was that they were one of the variables which had to be taken into account in the assessment of which countries qualified for Economic and Monetary Union (EMU).

The result was that a revised reporting system came into force at the beginning of 1995. The change was also used as an opportunity to adapt the balance of payments methodology to the 5th edition of the IMF Balance of Payments Manual ("BPM5"), which had been published in 1993, subject to some specific rules imposed by Eurostat.

With the introduction of euro notes and coins in 2002, the BLEU was fully included in a bigger monetary entity, the EMU. The existence of the BLEI became superfluous. The tasks of the BLEI in Belgium were taken over by the National Bank (NBB).

- The general inventory system for foreign payments

The data required to compile the balance of payments are collected by the NBB via a so-called "closed" reporting system, i.e. the communication of closing statements of positions, on the one hand, and of the transactions that are the cause of the changes in these positions, on the other.

The data collection is in principle exhaustive and rests on two pillars: financial institutions and enterprises.

Resident financial institutions report all operations that affect their external monetary position. This variable is the difference between their claims and debts on accounts for a maximum of one year with respect to non-residents, both in euro and in foreign currencies. For each transaction separately a number of features are notified that should make it possible to enter them correctly in the balance of payments.

The system of reporting in principle ensures that all transactions that are paid via resident credit institution are recorded.

Resident enterprises for their part must notify directly to the NBB all professional transactions which are effected via non-resident financial institutions, or directly – e.g. by debt offsetting – with non-resident enterprises. All such transactions must be reported in detail, irrespective of their size.

The reporting system which serves as the basis for compiling the balance of payments is in principle very complete, since all the channels through which transactions with the rest of the world are settled are taken into account.

Nevertheless, because it is based on the coded reporting of payments, the reporting system does have some weaknesses.

Firstly, transactions for an amount of less than €9 000 may be reported together without any indication of the nature of the transaction if they take place via resident financial institutions. The manner in which these globalised payments are broken down is described below.

Furthermore a number of transactions are not recorded because they do not give rise to financial flows, such as e.g. barter trade or debt cancellation.

As these transactions should, in theory, be recorded, the gaps need to be filled in with the help of external sources. The fact that such sources are not always available goes a considerable way to explaining why it has not yet been possible to consistently apply all the methodological principles laid down by the IMF.

- The breakdown of bank notes and so-called "small amounts" over the balance of payments headings

a) Transactions paid for in bank notes

Transactions that are paid for in bank notes are beyond the scope of the reporting system and must therefore be estimated.

The data available are those relating to payments and withdrawals from non-resident accounts by non-residents and purchases and returns of bank notes by financial institutions, in other words the international trade in bank notes between Belgian monetary financial institutions, on the one hand, and their foreign correspondent institutions, on the other.

The amounts thus recorded are divided over the following balance of payments headings: goods, tourism, remuneration, interest, deposits, securities, real estate and diamonds.

The distribution key is based mainly on the country of issue of the notes, on the counterpart country involved in the exchange, and on results of studies about payment behaviour in specific economic sectors, all combined with a seasonal pattern.

b) Transactions below the reporting threshold of €9 000

Residents do not have to state the nature of the transaction if the amount involved is less than €9 000. The total reported amount relating to these transactions is divided by means of distribution keys among the different balance of payments headings.

These distribution keys are based on historical information: before the new system came into force on 1 January 1995, this simplification was not available, which means that information is available on the nature of pre-1995 payments of less than €9 000 .

This was not possible for intra-BLEU transactions, because they did not have to be reported. For this reason, the Luxembourg distribution key for transactions with third countries was applied to intra-BLEU "small transactions" reported by Luxembourg. Research had shown that the Luxembourg key for transactions involving third countries was more representative than the Belgian one. The same transactions are recorded in the Belgian balance of payments as mirror statistics.

5.16.1.2. Goods

5.16.1.2.1. General goods

Belgium is one of the rare countries where two completely separate statistical sources exist for trade in goods with the rest of the world: one series derived from the general collection system, on the one hand, and the foreign trade statistics as compiled by the Institute of National Accounts, on the other hand.

The trade in goods recorded in the balance of payments gives a global overview of the value of the goods that have been the subject of an ownership transfer between residents and non-residents and places this value in a consistent framework of real and financial transactions with the rest of the world; the foreign trade statistics give the value of goods that have crossed the borders and permit a detailed breakdown according to country of origin or provenance, the country of destination and according to product.

Although both series of figures or at least parts of them are comparable with each another, the different starting point of these statistics lead to a few methodological differences which cause discrepancies in the results. The main ones are the coverage (ownership transfer or cross border movements) and chronological shifts.

Since Belgium, together with Luxemburg, is one of the few countries which do not use customs sources i.e foreign trade statistics when compiling the balance of payments, this can give rise to asymmetries at international level. Because exports of country A to country B by definition must be equal to imports of country B from country A, this is not necessarily any longer the case if the two countries use a collection system based on a different methodology.

As members of the EU and EMU, Belgium and Luxemburg have therefore decided, in the context of further harmonisation and in concertation with Eurostat and the ECB, to use the foreign trade data to compile their balance of payments as from June 2001 (and with retroactive effect from 1995).

The IMF requires that the trade in goods must be valued on a "fob-fob" basis. It is not possible to fully comply with these recommendations with the data available at present in Belgium.

Depending on the contractual agreements between resident exporters (or importers) and their foreign clients (or suppliers), the trade in goods is currently valued on a mixed basis. This means that "cif" or "ex works" contracts are liable to distort the goods-related component.

This, in turn, also means that the service headings "Transport" and "Insurance" are liable to be distorted but in the opposite direction.

Although this lack of precision may affect the accuracy of the subheadings, it has no effect on the current account total.

5.16.1.2.2. Contract work

In this heading all transactions relating to the processing of goods (in Belgium for account of non-residents, and vice versa) that have not been the subject of an ownership transfer between residents and non-residents are recorded.

5.16.1.2.3. Repairs to goods

The cost of repairing movable goods, including transport equipment, but excluding computer equipment which is recorded under "computer services".

Repairs to real estate (buildings, bridges, roads) are on the other hand included into the "construction services" heading.

It should be noted that contract work and repairs to goods are not transactions involving goods, but services in respect of those goods. In accordance with IMF instructions, they are recorded as movements of goods.

5.16.1.2.4. Goods purchased in ports

This basically involves ships' and aircraft stores, etc.: the purchase and sale of fuel and provisions, irrespective of whether the port in question is a seaport or airport, or if the fuel is sold at the side of roads or canals.

5.16.1.2.5. Non-monetary gold

A distinction is made here between gold as means of storing value (i.e. as an investment) and gold for industrial use.

Figures for the former come from the balance of payments system while those for the latter are derived from the foreign trade statistics.

Unlike transactions involving non-monetary gold, transactions involving monetary gold (i.e gold owned by a central bank to cover the issue of banknotes) are not included under the trade in goods.

5.16.2. Method of calculation

Exports of goods are taken from the balance of payments, with special treatment for exports after contract work. To obtain the gross value of goods which are exported after contract work in Belgium, the value of the contract work is added to the cost of the goods prior to that contract work. This amount is obtained by subtracting the value added of the contract work (source: balance of payments statistics) from total exports after contract work performed in Belgium (source: foreign trade statistics). Goods exported for the purpose of contract work abroad are also added to the export flows of goods (total imports after contract work abroad (source: foreign trade) less payment for that work (source: balance of payments)).

The breakdown of exported goods by SUT product which is used in the supply and use table is obtained by breaking down total exports in the balance of payments (general goods + gross contract work + repairs + ship/aircraft stores + non-monetary gold) by SUT product on the basis of distribution keys calculated from foreign trade data.

The resulting figures for 2003 are as follows:

Exports of goods (2003)	<i>(millions of euros)</i>
1. General goods	167 207.3
2. Contract work	2 541
3. Repairs to goods	218
4. Ship/aircraft stores	1 139
5. Non-monetary gold	55
Exports of goods (net contract work)	171 160.3
Contract work	10 137
Exports of goods (gross contract work)	181 297.3

5.17. EXPORTS OF SERVICES (P.62)

5.17.1. Sources

Exports of services (source: balance of payments) include the following headings.

5.17.1.1. Transport

The general heading "Transport" combines three modes and three categories of transport.

The mode of transport are sea transport, air transport and other transport. The last of these three includes international road transport, railways, pipelines, space transport (satellites) and inland water transport.

The terms "passenger transport" and "freight transport" need no further explanations. The related services include a broad spectrum of services that are provided in ports, airports and other distribution centres, such as loading and unloading, storage (e.g. refrigerated rooms), packaging for final distribution, and, more generally, all payments relating to transfer from one mode of transport to another.

Revenue and expenditure relating to freight transport in the Belgian balance of payments, as an exception to the IMF recommendations, only include that part of transport costs that are reported as such by financial institutions and corporations. Perhaps part of these are probably included in the goods heading (see above, "General goods").

5.17.1.2. Travelling and accommodation expenses

The heading includes all services (hotels, restaurants, visits, rented accommodation, local excursions etc.) purchased by non-resident in an economic area where they stay for less than one year for professional reasons or for personal reasons (including health reasons and study purposes).

This heading also includes the expenditure for technical assistance provided by the Belgian government, for training in Belgium of residents from developing countries (student grants, traineeships). It is assumed that these funds are spent in Belgium.

Furthermore it must also be stressed that all purchases of goods by travellers are not recorded in the goods account, but must be included in the "travelling and accommodation expenses" heading (in accordance with the IMF methodology).

Purchases of products with lower excise duties (alcohol, tobacco and petrol) are not recorded in trade in goods, but in "travelling and accommodation expenses" heading¹¹².

- Foreign payments with credit cards as well as the purchase of travellers' cheques issued by non-resident companies are fully recorded under "travelling and accommodation expenses" heading.
- Many transactions relating to travel are still always paid in cash. In the breakdown of bank note flows, a considerable proportion is therefore allocated to this heading.

5.17.1.3. Communication

Postal and courier services include all payments for the collection and delivery of letters and packages, both by official postal companies and by delivery and courier businesses.

Telecommunications include all costs of hiring and using telecommunication equipment and means of data exchange, including internet, fax, satellite transmission and e-mail.

5.17.1.4. Construction

Recorded under the heading "Construction" in principle are all civil engineering works or maintenance of real estate. i.e.: construction, repair and maintenance of buildings, roads, bridges and ports (including dredging works) located in Belgium, and which are carried out for account of residents by non-residents (or, mutatis mutandis, vice versa). Also included are the costs for hiring construction equipment and the costs for the assembling and disassembling of industrial installations.

5.17.1.5. Insurance

In accordance with the new methodology of the fifth IMF balance of payments manual, the recording of insurance services has been fundamentally changed since 1995 .

Only the part of premiums paid and received which is deemed to represent payment for the service rendered is included under services transactions.

The remaining component of premiums, as well as claims paid or received, are recorded either as current transfers (if they relate to freight and other direct insurance) or in the financial account (when this involves life insurance).

¹¹² The Luxembourg statistics institute STATEC has very considerable data on this. The Luxembourg revenues are therefore recorded, as mirror statistics, in the Belgian balance of payments as Belgian expenditure.

The service component of the gross data is calculated using long term ratios from the balance sheets of the insurance companies themselves.

The IMF methodology makes one exception to this general rule: in the case of reinsurance, because of the specific nature of these operations, all premiums and claims received and paid are simply included in services transactions.

Life insurance relates to all life, capitalisation and savings insurance, including similar individually negotiated contracts with a view to obtaining regular payments of annuities or supplementary pensions. Transactions relating to a system of compulsory social security do not fall under this heading, but under current transfers.

The payments for freight insurance premium only include that part which is reported as such by financial institutions and enterprises. Another part of this is perhaps included in the "goods" heading (see above, "General goods").

The related services include commission fees, consultancy fees, estimating costs and other costs relating to insurance and reinsurance transactions.

5.17.1.6. Financial services

This item includes a wide range of services relating to financial intermediation. These are commission fees, brokerage fees and all costs relating to financial intermediation, both received (or paid) by resident financial institutions working for their own account, and received (or paid) by other resident counterparts. Exports of FISIM are also included here.

5.17.1.7. IT and information services

This heading includes all revenue and expenditure relating to computer and IT services as well as services provided by press agencies and databases.

5.17.1.8. Royalties and licences

This heading includes:

- Copyrights, apart from income from their final sale (capital account) and apart from licence fees relating to cinema films or radio and television broadcasts (audiovisual services).

- Royalties, rights or compensation for the use of patents, trade marks, logos, manufacturing licences or manufacturing processes licences, apart from their final acquisition sale (capital account).

5.17.1.9. Other commercial services

This general heading covers a wide range of transactions, such as triangular trade, services associated with trade, general services between associated enterprises and other commercial services not listed elsewhere, such as staff recruitment and selection, security services, translation work, the cleaning of buildings and the services of temporary employment agencies.

5.17.1.10. Personal, cultural and recreational services

This heading includes audiovisual and related services, organisational expenses for exhibitions, festivals, concerts or sporting events as well as scientific or educational services.

5.17.1.11. General government services (n.e.c.)

General government services not included elsewhere are a residual category in which the services provided by the general government that cannot be allocated to other balance of payments headings are recorded; the main items in this category are costs associated with diplomatic missions and military bases.

Because the headquarters of major international institutions are located in Belgium, various countries have decided to set up a diplomatic representation there or to build up those already existing. There is thus an imbalance between the number of foreign diplomatic missions in Belgium and the number of staff employed in them on the one hand, and the corresponding figures for Belgian diplomatic missions abroad on the other hand.

5.17.2. Method of calculation

Exports of services are taken as such, apart from an adjustment to various services.

The notion of earned income used in the national accounts is narrower than the concept used for balance of payments purposes. In the national accounts, the concept is limited to border workers and staff of international institutions, while the balance of payments also records incomes earned in Japan, in the United States, etc. In the national accounts these payments are recorded as other services.

The breakdown of services by SUT products which are used in the SUT table is obtained by distributing by SUT product the services classified by balance of payments headings, which identify 11 groups of services divided into 40 sub-groups (cf. 10.5.3: nomenclature defined by the IMF). In some cases, there is a straight match (e.g. 193 - architecture, engineering services and other technical services = SUT 74C01); in others cases, residents' NACE-BEL activity codes, which are known if the value of the service exceeds 250 000 euros, make it possible to identify the corresponding SUT product.

The breakdown of service headings in the balance of payments by SUT products is dealt with in the discussion of the initialisation of the source and use table (cf. 6.1.2.2.1).

The resulting figures for 2003 are as follows:

Exports of services, 2003	(millions of euros)
1. Transport	8 763.3
2. Travelling and accommodation expenses	7 238
3. Communication	1 642
4. Construction	1 718
5. Insurance	654
6. Financial services	3 754
7. IT and information services	1 864
8. Licences and royalties	765
9. Other commercial services	13 037
10. Personal, cultural and recreational services	323
11. General government services n.e.c.	1 195
Total 1 - 11	40 953.3
+ Incomes of non-frontier workers employed abroad	224
Exports of services	41 177.3

5.18. IMPORTS OF GOODS (P.71)

5.18.1. Sources

The source material was discussed under the exports of goods chapter(cf. 5.15.1).

5.18.2. Method of calculation

The adjustment used to obtain gross contract work value is similar to that for exports of goods (cf. 5.15.2).

The breakdown of imports of goods by SUT products which are used in the SUT table is obtained by dividing total imports in the balance of payments (general goods + gross contract work + repairs + ship/aircraft stores + non-monetary gold) by SUT product, using distribution keys calculated from foreign trade data.

The resulting figures for 2003 are as follows:

Imports of goods, 2003	(millions of euros)
1. General goods	159 520.1
2. Contract work	1 212
3. Repairs to goods	168
4. Ship/aircraft stores	423
5. Non-monetary gold	165
Imports of goods (net contract work)	161 488.1
Contract work	10 137
Imports of goods (gross contract work)	171 625.1

5.19. IMPORTS OF SERVICES (P.72)

5.19.1. Sources

The source material was discussed under the exports of services chapter (cf. 5.16.1).

5.19.2. Method of calculation

The method is similar to that described under the exports of services chapter (cf. 5.16.2).

The resulting figures for 2003 are as follows:

Imports of services (2003)	(millions of euros)
1. Transport	7 975.9
2. Travelling and accommodation expenses	10 806
3. Communication	1 283
4. Construction	870
5. Insurance	568
6. Financial services	2 926
7. IT and information services	1 419
8. Licences and royalties	812
9. Other commercial services	10 819
10. Personal, cultural and recreational services	390
11. General government services n.e.c.	619
Total 1 - 11	38 487.9
+ Income of non-frontier workers working abroad	222
Imports of services	38 709.9

5.19.3. Adjustment to imports and exports of licences and royalties

The amounts included in the "rest of the world" account of the national accounts relating to imports and exports of licences and royalties are not the same as those reported in the balance of payments. By comparing the data from the balance of payments with the amounts reported in the annual accounts, it appears that a part of the amounts recorded as imports and exports of services in the balance of payments should in fact be recorded in the capital account (acquisitions less disposals of intangible non-produced assets: K.22).

5.19.3.1. Patents, licences and royalties in the balance of payments

The balance of payments has separate data relating to patents (heading 397). These flows are recorded as K.22 which is in accordance with the treatment in the "rest of the world" account (national accounts).

There is also separate information on "royalties and licences" (heading 220); this heading forms part of services transactions. Strictly speaking, only royalties may be treated as imports and exports (the counterpart is intermediate consumption and production of resident enterprises). Purchases and sales of patents must be treated as transactions in intangible fixed assets (K.22).

5.19.3.2. Concessions, patents and licences in the annual accounts

The assets side of the balance sheet is divided between fixed and current assets. The intangible fixed assets are part of the first group of assets mentioned. These consist of:

- costs of research and development;
- concessions, patents and licences, etc;
- goodwill;
- payments on account (on intangible fixed assets).

This breakdown by type of intangible fixed assets is only known for the full accounting schedules; the abridged accounting schedules only state the total intangible fixed assets.

The comment explain the difference in book value of these headings between the end of the previous financial year and the end of the current financial year (acquisitions, cessions, depreciation and diminutions in value).

Research and development do not fall within the 'asset boundary' of SNA93/ESA 1995. Acquisitions for research and development are therefore reclassified for the requirements of the national accounts (see 3.3.1.2.1: adjustment (g) from the transition table).

The annual account information relating to concessions, patents and licences is not systematically processed in the national accounts (unless as a counterpart of a record in the general government account or in the "rest of the world" account).

The amounts relating to goodwill and payments on account (which are very insignificant) are also not processed in the national accounts.

5.19.3.3. Comparison of balance of payments and annual accounts

In the annual accounts file (full accounting schedules) all enterprises with large amounts in headings 8022 and 8032 are selected.

8022: acquisitions of concessions, patents and licences

8032: transfers of concessions, patents and licences

In the balance of payments, all enterprises with significant amounts (> €5 million) in headings 397 and 220 are selected.

397: acquisitions/cessions of patents

220: imports/exports of royalties and licences

Those informations are compared with each other and an estimate is made for the amounts of K.22 that are included in imports and exports of services (and that must be deleted from these).

The procedure here is as follows:

(a) acquisitions/imports of concessions, patents, licences, etc.

- if amount 8022 indicated in the annual accounts is less than amount 220 recorded in the balance of payments (and there is no amount for heading 397) the amount recorded in the annual accounts (and included in the BOP figures) must be reclassified to K.22

- if amount 8022 indicated in the annual accounts is greater than amount 220 recorded in the balance of payments (and there is no amount for heading 397) the amount recorded in the balance of payments is reclassified to K.22

- if at the same time there are amounts for headings 220 and 397 only the part not relating to patents is reclassified as K.22

(b) cessions,exports of concessions, patents, licences, etc.

A similar approach is followed as for acquisitions/imports where the proceeds of sales abroad (where there is no turnover and therefore also no production counterpart) are reclassified as K.22.

5.19.3.4. Amount of adjustment

Adjustment for royalties and licences from BOP

(2003 in millions of euros)

	BOP	adj	K.22	S.2
exports of royalties and licences	783	-18	765	P.62
imports of royalties and licences	869	-57	812	P.72
net exports of royalties and licences	-86	39	-47	P.62-P.72

6. INTEGRATION AND VALIDATION

6.1. BALANCING THE SUT

An integrated calculation of GDP according to the output approach, expenditure approach and income approach is carried out within the framework of the supply and use table (SUT).

First a few specifications are given regarding the structure of the supply and use table. This is followed by a brief description of the source data and the conversion of these data into the concepts and classifications of the national accounts. Finally the actual balancing or netting of the SUT in current prices is discussed.

6.1.1. Structure of the supply and use table

6.1.1.1. Introduction

The format of the SUT that must be forwarded to Eurostat is a standard that must be met so that comparisons can be made between the Member States at European level, and ESA 1995 variables can be drawn up on the level of the European Union.

For the practical compilation of the SUT this *reporting format* is not however sufficient. In the *work format* distinguishing a large number of industries and products allows a detailed analysis and adjustment of the statistical deviations between supply and use to be carried out. In practice the quantity and quality of the source data nevertheless imposes a limitation on the work format.

Note

In the national accounts in general, and also when drawing up the SUT, various price concepts are used.

Basic price		
	excl. D.21	taxes on products
	incl. D.31	subsidies on products
+	D.211	non-deductible VAT
+	D.212	taxes and duties on imports (excl. VAT) D.2121 Import duties D.2122 Taxes on imports excluding VAT and import duties
+	D.214	taxes on products, except VAT and import taxes
-	D.311 D.319	import subsidies other subsidies on products
+	Margins	distribution costs, separately invoiced
=	Purchasers' price	

The output in the supply table is valued at basic price and the imports at cif price. To obtain the total supply in purchasers' price per product the margins and taxes on products less subsidies on products still have to be added.

In the use table intermediate consumption and final uses are valued in purchasers' price, and exports expressed in fob price.

6.1.1.2. Industries and products

6.1.1.2.1. . Industries

The reporting format provides for 60 industries (A60), corresponding to the 2-digit NACE classification. In the work format of the SUT 125 sectors are used (cf. 10.5.1).

In grouping the NACE-BEL industries the SUT classification takes into account the Eurostat classification A60, the size (turnover as the criterion) of the various NACE-BEL 4-digit-classes, the homogeneity of the SUT sectors, and the distinction between market and non-market activities.

So as not to get a category of the Eurostat reporting format A60 by splitting a SUT sector, an n-1 relation between SUT branches and A60 is provided^{113.113}.

In principle in (almost) all NACE categories both market and non-market producers occur. After studying the directory of production units (cf. 3.1) it was found that non-market producers occur in 9 different NACE 2-digit categories. In the SUT classification 15 industries are provided¹¹⁴.

¹¹³ As a result a few SUT sectors with a relatively insignificant turnover occur (e.g. 19A1 leather industry and manufacture of footwear, and 30A1 manufacture of office machinery and computers).

¹¹⁴ This relates to all sectors with a 3 or 5 as the 4th position of the SUT code: 60B3, 63B3, 73A5, 75A3, 75B3, 75C3, 80A3, 80A5, 85C5, 90A3, 91A5, 92A3, 92B5, 92C5 and 92D5. In the sectoral breakdown it was found that industry 92B5 contains only very few insignificant units, so it was felt appropriate to class these units in another non-market sector.

As already explained above (cf. 3.1.1), each producing unit is allocated a NACE-BEL code and a sector code. After the transition from administrative aggregates to aggregates according to the concepts of the national accounts, within each SUT industry a breakdown by institutional sectors is still available. In the SUT itself this breakdown into sectors is not however further used, except for the non-market sectors. This means that for example in the SUT sectors 15E1 dairy industry, 22B1 printing and 92D1 sport and other recreation, both producers from S.11 and from S.14 are present. A large number of SUT sectors include producers from sectors S.11 *and* S.14. A further classification within the SUT of these sectors into S.11 and S.14 sectors would complicate the integration, and is also not relevant for netting. Production in market industries is therefore dealt with globally during the integration.

In view of the specific calculation method for the total output of non-market producers, as a sum of the costs, it was considered useful during the integration to maintain the sector classification within the relevant sectors. The consistency between the SUT and sector accounts S.13 and S.15 can as a result be permanently monitored.

6.1.1.2.2. Products

The reporting format provides 60 products (P60) that correspond to the 2-digit classification of the CPA. The number of products in the work format is 326 (cf. 10.5.2)¹¹⁵.

The goods in the SUT are usually defined in terms of CPA 4-digit, and the services according to CPA 3-digit. There are sometimes exceptions to this rule according to the relevance of the products for the Belgian economy, or to make a distinction between products on which trade or transport margins may or may not be possible.

Since the principal activity of non-market industries results in non-market products, provision is made for a non-market product corresponding to each non-market sector¹¹⁶.

6.1.1.2.3. Overview of a number of industries and products

The structure of sectors and products reflects the increasing importance of services in the economy. More than 30% of products relate to services (cf. the product groups corresponding to NACEs G to P). The percentage share of service industries is 46%.

¹¹⁵ Includes 2 products for illegal economy not used at present, and excludes products for trade and transport margins.

¹¹⁶ These are products 60B04, 63B07, 63B08, 73A02, 75A01, 75B01, 75C01, 80A03, 80A04, 85C02, 90A02, 91A02, 92A03, 92B02, 92C02 and 92D02 of the SUT classification.

Service products are relatively under-represented because a large number of services occur as intermediate consumption in almost all industries, and the source data specifically for services are not very detailed. If the number of service products were extended too much, too many assumptions would be needed to estimate the intermediate consumption per product in the use table.

NACE-BEL	SUT industries	%	SUT product groups	%
A-B Agriculture, forestry, fisheries	3	2.4	12	3.7
C Extraction of minerals	1	0.8	7	2.1
D Industry	57	45.6	184	56.4
E Electricity, gas and water	2	1.6	4	1.2
F Construction	5	4.0	19	5.8
G Trade	4	3.2	3	0.9
H Hotels, restaurants, cafés	2	1.6	5	1.6
I Transport, communication	12	8.3	28	8.6
J Financial institutions	3	2.4	8	2.5
K Real estate, business services	12	9.6	22	6.7
L-M Public administration and education	6	4.8	7	2.1
N-P Other services	18	14.4	27	8.3
TOTAL	125	100.0	326	100.0

6.1.1.3. Classification of other variables

6.1.1.3.1. Exports and imports

In the Eurostat reporting format exports (P.6) and imports (P.7) are broken down into intra-Community trade (intra EU, i.e. trade within the European Union S.21) and extra-Community trade (extra EU, trade with third countries and international organisations S.22).

Separate columns are provided for goods and services. This offers the advantage that the total trade in goods, or services, does not have to be totalled via the product codes but can be obtained automatically as the sum of the columns, and that as a result, this facilitates consistency control with the balance of payments data.

6.1.1.3.2. Trade and transport margins

The reporting format provides one column in the supply table for the total trade and transport margins. In the work format the margins are represented in two different ways: as production of some industries, and as a component of the supply in purchasers' price of some products. The sum of the margins produced by resident producers and the imported margins is equal to the sum of the margins on products.

The margins are further broken down into trade margins (wholesale + retail trade) and transport margins. The production of trade margins is calculated separately at SUT industry level, but the distinction between wholesale and retail trade margins per product is not possible at present.

In order to make the transition from the work format to the Eurostat reporting format, the output of margins by a particular industry can be transferred to the relevant P.60 headings in the reporting form.

6.1.1.3.3. Taxes and subsidies on products

The reporting format only requires the balance of all taxes on products (D.21) and subsidies on products (D.31). In the work format both the taxes and subsidies on products are broken down further. This makes it possible to monitor the consistency of the amounts in the SUT with the source data.

Classification D.21 and D.31 (in *italics*: codes that do not occur in ESA 1995):

D.21 Taxes on products

D.211 value added type taxes (VAT)

D.212 taxes and duties on imports (excl. VAT)

 D.2121 import duties

 D.2122 taxes on imports excluding VAT and import duties

D.2122R1 excise duties on imports

D.2122R2 agricultural levies

D.2122RR other taxes on imports excluding VAT and import duties

D.214 taxes on products, except VAT and import taxes

D.214R1A excise duties and consumer taxes (payable to the general government)

D.214R1B excise duties and consumer taxes (payable to the European Union)

D.214RR other taxes on products, except VAT and import taxes

D.31 Subsidies on products

D.311 import subsidies

D.319 other subsidies on products

D.319R1 agricultural subsidies

D.319RR other subsidies on production

The heading D.311 is not applicable at present.

6.1.1.3.4. Consumption expenditure

ESA 1995 makes a distinction between *consumption expenditure* and *actual consumption*. The first concept relates to who makes the expenditure, the latter to who purchases the consumer goods or services.

Consumption expenditure by the general government is broken down further into individual (P.31) and collective (P.32) expenditure.

Schematically:

	S.14 Households	S.13 General government	S.15 NPI for S.14
P.3 consumption expenditure	P.3 by S.14	P.32 by S.13 collective + P.31 by S.13 individual	P.3 by S.15
P.4 actual final consumption	P.4 by S.14 = P.3 by S.14 + P.31 by S.13 + P.3 by S.15	P.4 by S.13 = P.32 by S.13	

In the SUT the concept of consumption expenditure is used, while in the sector accounts both concepts are presented. The SUT reporting format makes no distinction between individual and collective consumption expenditure.

Because the consumption expenditure in the sector accounts is deduced from the SUT, the obvious answer in the use table of the work format is to make the following distinction:

- P.3_S.14 consumption expenditure by households
- P.31_S.13 individual consumption expenditure by the general government
- P.32_S.13 collective consumption expenditure by the general government
- P.3_S.15 consumption expenditure by NPIs

Consumer expenditures by households means the expenditure of resident households. For practical reasons, however, the SUT uses expenditure in the economic territory, i.e. purchases by non-residents in Belgian economic territory are included in P.3/S.14, whereas purchases by Belgian residents abroad are not included (cf. also 5.7.1)

This necessitates two adjustments for the transition from the SUT to the sector accounts. Firstly, consumer expenditure by resident households in the rest of the world (P.33) is added to total imports in the supply table and to consumer expenditure by households in the use table. Secondly, consumer expenditure by non-resident households in the economic territory (P.34) is deducted

from consumer expenditure by households in the use table, and the same amount is added to exports.

6.1.1.3.5. Investments

Gross capital formation (P.5) is broken down in ESA 1995 into:

- P.51 gross fixed capital formation
- P.52 changes in inventories
- P.53 acquisitions less disposals of valuables

The SUT reporting format only requires a distinction between P.51 and P.52+P.53. In other reporting tables a breakdown by industries, and sometimes the cross-classification of P.51 with products, is required.

P.51 Gross fixed capital formation

In order to establish which items of gross fixed capital formation are eligible as a priority for balancing, and in order to maintain a link to the sector accounts, in the SUT work format P.51 is further broken down by sectors. In this separate investment module estimates are made of P.51 per industry and per product and these amounts are (automatically) grouped per sector and transferred to the use table.

P.52 Changes in inventories

In the work format separate columns are provided in the use table for:

- work in progress and finished goods: P.52S ('supply')
- commodities and semi-manufactured goods: P.52U ('use')
- goods for resale: P.52C ('commerce')

P.53 Acquisitions less disposals of valuables

Valuables are non-financial goods that are not used primarily for production or consumption, do not deteriorate (physically) over time and that are acquired and held primarily as stores of value.

Acquisitions and disposals of valuables P.53 are not stated separately in the SUT reporting table, but are stated in the sector accounts and in the reporting tables per industry. A separate column is provided in the work format.

6.1.1.3.6. Components of value added

The gross value added is broken down in the reporting format into:

- compensation of employees (D.1);
- other taxes on production (D.29) less other subsidies on production (D.39);
- consumption of fixed capital (K.1);
- net-operating surplus (B.2n) and mixed income (B.3n).

In the work format the compensation of employees is broken down further into wages and salaries (D.11), employers' actual social contributions (D.121), and employers' imputed social contributions (D.122). Other taxes on production (D.29) and other subsidies on production (D.39) are indicated separately.

6.1.2. Data sources and initialisation

6.1.2.1. Output and intermediate consumption

6.1.2.1.1. Elements of output and intermediate consumption

ESA 1995 concepts output (P.1) and intermediate consumption (P.2) are not immediately available as such in the producers' data, but can be deduced from it after various adjustments. For a detailed discussion of the conversion of economic aggregates into aggregates according to the concepts of the national accounts: cf. 3.3.

Output (P.1) is the sum of turnover (P.11/V), output for own final use (P.12), and changes in inventories of finished goods and work in progress (P.11/P.52S). Separate estimates are made for these three components¹¹⁷.

Intermediate consumption P.2 consists of acquisitions for intermediate consumption (P.2/A) less the change in inventory (31/12-1/1) materials and supplies (P.2/P.52U). Both components are calculated separately¹¹⁸.

¹¹⁷ Turnover per product and investments for own final use per product are combined in SUT work table "V". and changes in inventories in table "P.52S".

¹¹⁸ Acquisitions for intermediate consumption per product are included in SUT work table "A", and changes in stocks in table "P.52U".

6.1.2.1.2. Calculation of apportionment keys

The description of the calculation of apportionment keys applies mainly to those years for which a structure survey was sent with annexes in which detailed product information is requested¹¹⁹. For the other years all the available information per product is exploited to the maximum.

Apportionment keys are calculated for the most detailed product classification of the SUT (320 products) for turnover, acquisitions for intermediate consumption and changes in inventories.

This calculation is carried out in various stages, and is standardised for most industries. Specific calculations are made for general government, agriculture, healthcare (hospitals), financial institutions, and industries that belong to sector S.15. The specific calculations are not considered further here.

6.1.2.1.2.1. Selection of usable corporations

To calculate the codes for turnover and acquisitions first of all the usable corporations are selected from the answers to the structure survey. A corporation is considered to be usable, as regards product information, if the following criteria are met:

- the consistency of the information (including between general and product information) is validated;
- the proportion of completely unknown products, these are product codes for which no relation to SUT product codes can be made, in the total turnover, or acquisitions, of the corporation is not higher than 10%.

The last criterion must sometimes be relaxed in order to guarantee the representativeness of the corporations used in the population per industry.

The selection of usable corporations is carried out separately for turnover and acquisitions.

6.1.2.1.2.2. Apportionment keys for turnover

Activities per NACE class (4-digit) are usually already very heterogeneous. To get as undistorted an apportionment key as possible source information is recorded at this detail level. If no usable forms are available for a NACE 4-d, this sector is grouped with a related NACE 4-d.

¹¹⁹ This is for the years 1995+t.5 (t=0.1. ... n).

a) Classification of source information per NACE sector by SUT products

The annexes for the product detail of turnover in the structure survey (SSE) are broken down into turnover from industrial activity, from trade activity and from service activity. Corporations that submit a return for Prodcom statistics give no information per product in the SSE for the amount declared in Prodcom.

To avoid distortion of the apportionment keys for turnover the product information from the SSE is combined with Prodcom data for the same corporations.

The data per product in Prodcom are broken down into *value of supplies to third parties, contract work for corporations in Belgium, and contract work for corporations abroad*. The SSE data relating to invoiced contract work on the other hand are sometimes presented under a general code and at this stage are not yet classified by a SUT product.

Also completely unknown products (that moreover rarely occur in the turnover data), and revenues from making available patents and licences, are not at this stage classified by a SUT product.

The relation between the SSE product information in annexes for the turnover and SUT products is an $n - 1$ relation ($n \geq 1$). For Prodcom products this is an $n - 1$ relation ($n > 1$). Apart from the specific information given above classification by SUT products is therefore possible.

b) Calculation of the apportionment key for the full population per NACE industry

According to the same NACE sector breakdown as in the previous phase, first the product information is grouped per SUT product. After that the apportionment key obtained will be applied to the aggregate to be apportioned for the population P.11/V" described below.

The transitional adjustments between administrative aggregates and aggregates according to the national account concepts are calculated per SUT sector (cf. 3.3). The aggregate obtained per SUT sector P.11/V (= P.11/V1+P.11/V2) also includes trade and transport margins, and the adjustment for contract work (cf. 3.3.1.2.1 adjustment(t))¹²⁰. The margins are treated as separate products in the supply table (cf. the product breakdown: 10.5).

¹²⁰ Goods that are sent between countries for contract work are recorded in the imports and exports at their full value, although there is no ownership transfer (gross valuation). In other source statistics contract work is recorded net however, i.e. only the price for the work supplied is regarded as output or acquisitions for intermediate consumption. To make balances possible between supply and use per SUT product the adjustment for contract work ('grossing', or extrapolation for the non-invoiced part) is necessary.

The product apportionment by products other than margins must therefore be carried out on an aggregate P.11/V' from which the margins, and the extrapolation for contract work, have been eliminated. This aggregate P.11/V' must be further apportioned according to the NACE classification used to calculate the apportionment keys for turnover per NACE sector.

The administrative aggregates are used as the apportionment key for partitioning P.11/V' to P.11/V".

The apportionment keys obtained from the SSE are applied to the aggregate P.11/V"¹²¹.

c) Grouping by SUT sector

The result of the previous phase (turnover per product) is grouped per SUT sector, as a result of which the aggregate P.11/V' is obtained again.

Two additional elements are required to obtain the turnover excluding changes in inventories.

- Adding the output produced for own final use (P.12). These are investments for own final use, housing services produced by owner-occupiers, agricultural products retained by farmers and household services produced by employing paid staff.
- Adding the adjustment for contract work. This adjustment is calculated on the basis of data from the external trade statistics per SUT sector and SUT product.

6.1.2.1.2.3. Apportionment keys for acquisitions for intermediate consumption

As for the calculation of the keys for turnover these keys are in principle also calculated per NACE 4-digit.

a) Classification of source information per NACE sector by SUT products

Product information is included in the general section and in the Annexes for acquisitions of the SSE forms.

The product information in the general section of acquisitions is usually aggregated more than the SUT product breakdown. The apportionment by SUT products is based on comparisons with information from previous structure surveys, specific information for some industries and various hypotheses.

¹²¹ The specific treatment of completely unknown products, revenue from contract work, and revenues for making available patents and licences are not dealt with here.

The relation between the product information in the Annexes and the SUT products is an n - 1 relation ($n \geq 1$), as a result of which aggregation can be carried out by SUT products.

b) Calculation of the apportionment key for the full population per NACE industry

According to the same NACE sector breakdown as in the previous phase, first the product information is grouped per SUT product.

The aggregate P.2/A' is obtained by deducing the adjustment for contract work from P.2/A (=P.2/A1+P.2/A2), and is partitioned by P.2/A" using administrative aggregates.

The further calculation of the apportionment keys is similar to the calculation of the keys for turnover.

c) Grouping by SUT sector

The data from the previous phase are grouped per SUT sector, as a result of which the aggregate P.2/A' is obtained again. After adding the adjustment for contract work per product intermediate consumption excluding changes in inventories is obtained.

6.1.2.1.2.4. Apportionment keys for changes in inventories

a) Changes in inventories of finished goods and work in progress

The structure survey includes no information relating to these changes in inventories. Provisionally an apportionment is estimated per SUT sector on the basis of the main products resulting from the turnover keys.

b) Changes in inventories of materials and supplies

The Annexes of the SSE forms for industry provided information on changes in inventories of acquisitions for intermediate consumption. All forms from corporations that receive an Annex for acquisitions received are used to make an estimate per SUT sector.

c) Changes in inventories of goods for resale

The changes in inventories of goods purchased for resale are estimated for the SUT sectors *50A1 trade in motor vehicles, 50B.1 retail sale of automotive fuels, 51A1 wholesale trade* and *52A1 retail trade*. For this all the SSE forms from corporations that received an Annex for acquisitions were used.

6.1.2.2. Imports and exports

The totals for imports and exports of goods and services in the SUT are determined on the basis of balance of payments data (cf. also 5.15).

6.1.2.2.1. Apportionment of service groups from the balance of payments by SUT products

The balance of payments forms the only data source for imports and exports of services. These services are published according to the IMF nomenclature, where a distinction is made between 11 service groups. If the most detailed reporting level is used around 40 service groups can be distinguished. Even this most detailed level does not allow the completion of the SUT, which contains considerably more service products.

The breakdown of balance of payments services by SUT products is based on the activity (NACE-BEL code) of the Belgian counterpart. The hypothesis made here is that there is a relation between the activity of the Belgian counterpart and the service traded. This hypothesis is acceptable as regards exports, but of course has much less force for imports.

Specifically then work is carried out in two stages here:

- In a first stage on the basis of detailed nomenclature research a check is made as to which SUT services correspond with the balance of payments services.
- In a second stage for these services an apportionment key is determined, on the basis of the activity of Belgian counterparts (i.e. of those for which activity corresponds with the selected services).

For three aspects, namely tourism, royalties and licences, and government services, a specific approach is used that differs from the general procedure:

- As regards the balance of payments heading travel, a breakdown must be made between intermediate consumption (business travel) and consumption expenditure by households (private travel). Since the consumption expenditure by households included in the SUT is defined according to the domestic concept, only the intermediate consumption (business travel) part may be broken down by SUT products. The key for this breakdown is deduced from information from the household budget survey relating to private travel.
- Since royalties and licences do not occur in the SUT as a separate product, these flows recorded in the balance of payments as imports and exports of services must be broken down over the relevant SUT products. This breakdown is also based on the activity of the Belgian counterpart.

- As regards government services not indicated elsewhere, the apportionment key is not based on balance of payments data, but on the general key for general government acquisitions.

6.1.2.2.2. Apportionment key for goods

The breakdown by SUT products of goods transactions with the rest of the world, for which the totals are given by the balance of payments, is based on the data per product from the external trade statistics.

The basic files of imports and exports of goods according to the GN8 nomenclature for external trade, are grouped via CPA codes at 6 digit level, by SUT products. The apportionment keys per SUT product obtained are applied to the balance of payments totals.

6.1.2.3. Trade and transport margins

The calculation of trade and transport margins is described in the output approach (cf. respectively 3.13 and 3.15).

SUT industries in which more than EUR 200 million of trade margins are recorded are:

- 15I1 Manufacture of sugar, chocolate and sugar confectionary
- 15J1 Manufacture of pasta, coffee and tea, and other food products
- 24A1 Manufacture of basic chemicals
- 24D.1 Pharmaceutical industry
- 25B.1 Manufacture of plastic products
- 50A1 Sale of motor vehicles, maintenance and repair of motor vehicles, sale of motor vehicle parts and accessories, sale and repair of motorcycles
- 50B.1 Retail sale of automotive fuel
- 51A1 Wholesale and commission trade
- 52A1 Retail, repair of household goods
- 72A1 Computer and related activities
- 74B.1 Business and management consultancy activities, management activities of holding companies and coordination centres

SUT industries in which transport margins are recorded:

- 60C1 Freight transport by road and furniture removal services, and transport via pipelines
- 61B.1 Inland water transport

6.1.2.4. Taxes and subsidies on products

6.1.2.4.1. Taxes on products

6.1.2.4.1.1. Value added type taxes

VAT (D.211) is a tax on products received in different stages of supply by corporations and which is ultimately passed on in full to the final user. Producers only have to pay the difference between the VAT on their sales and the VAT on their acquisitions for intermediate consumption or gross fixed capital formation.

The VAT is recorded according to the net recording principle:

- output and imports are valued excluding the VAT charged.
- acquisitions of goods and services are valued including the non-deductible VAT.

This therefore means that the VAT is charged to purchasers for whom the VAT is not deductible. Because it was opted to integrate the SUT in prices excluding VAT (cf. below), the initialisation of VAT in the SUT consists of the elimination of non-deductible VAT from the components of the use table for which the initial estimate includes the non-deductible VAT. In practice this means that VAT must be eliminated from the final use (consumption expenditure and gross fixed capital formation) and from the intermediate consumption of industries for which VAT is not fully deductible. For this purpose the VAT legislation is translated into the work format of the use table. This was dealt with under the output approach (cf. 3.25).

6.1.2.4.1.2. Taxes and duties on imports, excl. VAT

a) Import duties (D.2121)

The data relating to import duties, collected via the automated customs system SADBEL, are available via the external trade statistics¹²².

b) Taxes on imports excluding VAT and import duties (D.2122)

Agricultural levies (D.2122R2) are available via the automated customs system SADBEL.

Excise duties on imports (D.2122R1) are not distinguished in the initialisation from excise duties on domestic output (D.214R1A). After integration of the SUT the apportionment by the reporting format is obtained via various information.

¹²² The customs duties are coded according to the TARIC nomenclature (integrated tariff of the European Union) and via the CN (Combined Nomenclatuur) grouped by SUT products.

6.1.2.4.1.3. Other taxes on products

Excise duties and consumption taxes payable to the institutions of the European Union (D.214R1B) are known via the government accounts. The excise duties and consumption taxes on domestic output and payable to the general government (D.214R1A) that are initialised together with the excise duties on imports are also obtained from the government accounts. This also applies for a remaining group of other taxes on products (D.214RR).

6.1.2.4.2. Subsidies on products

This only concerns other subsidies on products (D.319). Subsidies on imports (D.311) do not arise at present.

Detailed information regarding agricultural subsidies (D.319R1) is obtained from DGSEI. Other subsidies on products (D.319RR) are available via the government accounts.

6.1.2.5. Other components

The initial estimates of consumption expenditure by households (P.3_S.14), NPIs (P.3_S.15) and general government (P.3_S.13) are discussed in the expenditure approach (cf. respectively 5.7. 5.8 and 5.9).

The calculation of aggregates for gross fixed capital formation (P.51) is explained in the expenditure approach in S.11 (cf. 5.10 and 5.11). The information for obtaining the initial estimate per product comes mainly from the annual accounts (apportionment by large categories) and from the structure survey (further apportionment by SUT products).

The calculation of compensation of employees (D.1), other taxes on production (D.29) and other subsidies on production (D.39) was described in the income approach (cf. 4.7. 4.8 and 4.9). The consumption of fixed capital (K.1) is calculated using the perpetual inventory method.

6.1.3. Balancing

6.1.3.1. General aspects

The calculation of aggregates, the breakdown of these aggregates by the most accurate estimates possible for production, intermediate consumption and investments per product, calculations per SUT product of trade and transport margins, taxes and subsidies on products, imports and exports and the initial estimate of consumption expenditure, form a major part of the integration method of the SUT.

After initialising the data there are of course still imbalances between supply and use per product. These imbalances are investigated and adjusted in the balancing (or netting) phase, as a result of which the aggregates initially estimated may also change. Balancing ultimately leads to a consistent estimate of GDP according to the three approaches.

In principle all the variables may be changed by balancing and there are therefore no limitations with respect to the initialised amounts, or with respect to a provisional version of published amounts.

As already stated in the income approach, the operating surplus (B.2) and mixed income (B.3) in the Belgian SUT are calculated as a balancing item. The aggregates compensation of employees (D.1), other taxes on production (D.29) and other subsidies on production (D.39) are calculated from detailed source information and are not changed during netting. The income approach therefore does not play any real part in netting of the SUT. If due to netting the output and/or intermediate consumption of an industry is changed, B.2/B.3 will also change. The evolution of B.2/B.3 with respect to the previous year, compared with the evolution from source statistics, may possibly give an indication that the netting in the output and expenditure approach must be adjusted again.

The extent to which the aggregates from the output and expenditure approach change due to balancing are discussed below.

Balancing is carried out excluding VAT. The VAT per product is not initialised in the supply table and is eliminated from the initialised use table, as a result of which supply and use excluding VAT is compared per product. During netting the VAT is constantly recalculated, which is necessary to calculate the intermediate consumption at purchasers' price and which permits the VAT calculated to be compared with VAT actually received.

The balancing is provisionally limited to the integration of the SUT in current prices.

6.1.3.2. Balancing of output and expenditure approach

During balancing in the output and expenditure approach adjustments are made either in the columns or in the rows/products. The SUT software can as required be set to one or both options. The decision on whether to make adjustments is made per individual cell of the SUT¹²³. The adjustment method can therefore be described as "manual adjustment using the computer". Full

¹²³ It is therefore not true that the amount of an adjustment is automatically apportioned over all components of e.g. intermediate consumption of an industry, or of all industries in which a particular product arises as intermediate consumption. The SUT software does make it possible to select several cells and to apportion an adjustment proportionately or otherwise over these cells. This option is only used if this is sensible as regards the content.

netting involves between 50 and 100 decisions relating to the setting of the netting choice to either columns or rows.

When netting is carried out in columns the industry managers¹²⁴ make adjustments to the output and/or intermediate consumption of the sectors in which they specialise. In case of netting in rows the product managers make adjustments to the products that fall within their competence.

In the first phase of netting the supply table is stabilised as far as possible. Any anomalies in the product mix per industry are corrected and the trade margins per product are checked again. The uncertainties remaining regarding the supply table mainly relate to the adjustment for the black economy and imports of services per SUT product¹²⁵.

After this the product imbalances are investigated. For some products the balances for groups are also investigated (e.g. all food products, all chemical products, products relating to use of motor vehicles). When a balance between supply and use within a group can be achieved, further netting is carried out within the products of this group.

An adjustment for intermediate consumption of a product in an industry may give rise to a counter-adjustment for a related product in the same sector, or for the same product in a related sector. This is not however necessarily the case, in other words intermediate consumption may change due to netting. The input structure of the industries is however monitored by the sector manager, which results in feedback from sector to product managers and in consultation on the further adjustment that must be made.

The initial calculations for consumption expenditure by households are, apart from products for which the calculation is based on specific sources, carried out centrally. Decisions are however made on adjustments per product by the product manager. The manager for consumption expenditure of households follows the evolution of total consumption expenditure, and the major components of this (e.g. food, use of transport equipment, financial services, etc.), and gives feedback to product managers.

Adjustments for investment products are taken jointly by the product manager and the investment manager. The netting relates mainly to substitution between investment products within the major categories (buildings, machinery, etc.).

¹²⁴ The industry managers are the product managers for the products that are the main product of the branches of industry they administer.

¹²⁵ The amounts of the major categories of the balance of payments can be regarded as reliable, but the apportionment by SUT products is relatively uncertain (cf. 6.1.2.2).

There may be considerable netting of changes in inventories with respect to the initialised amounts, but the proportion of inventories in GDP is relatively limited.

In case of adjustments to imports and exports of goods or services, a counterpart is entered for other goods or services. The total imports and exports of goods and services are therefore not changed by netting.

Priority is given to netting of products that meet one or more of the following criteria:

- products that occur as expenditure in few SUT cells and for which:
 - the margins are sufficiently reliable or not significant;
 - the estimate of imported services is relatively reliable or not significant;
 - the initial estimate of consumption expenditure is reliable or not significant. The initial estimate is regarded as reliable if this relates to products frequently purchased by many households and/or if the estimate is based on administrative sources;
 - the fixed capital formation is reliable or not significant;
- products for which the supply comes only or mainly from imports;
- products with only one type of use (only P.2, only P.3, etc.);
- products with a small difference between supply and use, if the structure of supply and use does not differ significantly from a previous SUT (and if there are no indications that this could be the case).

In a last phase, when the differences between supply and use per product are small, the RAS method is used. The intermediate totals of the intermediate consumption are thereby changed. There is the possibility of leaving some cells of intermediate consumption out of the RAS procedure.

To summarise, balancing is a complex process, where the steps to be followed and the adjustments to be made are determined according to the results of a previous netting phase. It is difficult to determine to what extent the adjustments contribute separately to a more consistent estimate of GDP according to the three approaches¹²⁶. Adjustments may temporarily increase the discrepancy between the output and expenditure approach, but are still necessary in order ultimately to obtain the same GDP for both approaches.

¹²⁶ A few examples:

a) a necessary adjustment in P.51 may reduce the difference between supply and use of the relevant investment product, while as a result the difference between the expenditure and output approach of the GDP becomes even greater;
 b) a reduction in P.2 of a product in some industries causes the GDP to increase through the output approach, while it is not yet clear at that point whether P.3_S.14 and/or P.2 for the same product will be changed in other sectors, and/or whether the adjustment for the black economy must be revised.

6.2. OTHER APPROACHES TO VALIDATING GDP

In some countries the calculation of GDP is to some extent based on employment data, which are used to extrapolate the value added for a number of corporations to the full industry. Investigation into the consistency between the employment data in the surveys used to calculate the value added, and into specific employment statistics (labour force survey, census, etc.) therefore provides a crucial check on the exhaustiveness of the GDP.

In the Belgian national accounts employment does not play any part in calculating the value added. The results obtained are therefore checked against employment from employment statistics only in an indirect way, namely by evaluating the value added per employee and/or self-employed person per industry (in the future: per full time equivalent).

In a few countries fiscal audits have enabled the adjustments for the black economy to be validated. The Belgian application of this exhaustiveness test has not produced any usable results. The adjustments for tax fraud were not significant for some industries which were known to be considerable. The objective of the tax authorities is not to obtain representative estimates of fraud per NACE category, but to focus attention on specific corporations or industries.

In view of the integration of information from various sources, the supply and use table is the most appropriate method for arriving at an exhaustive estimate of GDP. The efforts to improve exhaustiveness will therefore be further developed in this respect.

7. EXHAUSTIVENESS

7.1. DEFINITIONS

Exhaustiveness of the GDP is obtained by extrapolating the results of sampling and other investigation as correctly as possible for the population using registers, applying the definitions of ESA 1995 as accurately as possible, and more specifically including the underground economy in the calculation methods.

"In general, it can be said that the criteria for exhaustiveness are: the existence of an accurately determined reference population of production units; the possibility of determining whether units are missing; the possibility of making adjustments for missing units; and the existence of general systematic adjustments for evasion and for undeclared labour."¹²⁷

The underground economy consists of the black economy plus the illegal economy. Black economy comprises hidden enterprises plus hidden activities.

The illegal economy includes activities that according to the concepts of the national accounts fall within the production limit, but are not legally permitted.

Clandestine enterprises are producer units which are not registered (non-registered = "non-recording in the statistical registers of economically active units"¹²⁸). These enterprises do not meet the legal requirements concerning payment of social security contributions, etc.

The adjustment for estimating an exhaustive value added is called adjustment for hidden labour.

Hidden activities mean activities which are not declared in full by enterprises for which the production and value added should have been included via the calculations based on the registers of production units.

The adjustment for estimating an exhaustive value added is called adjustment for tax fraud (and evasion).

The adjustment for tax fraud consists partly of an adjustment for undeclared taxable income and partly of an adjustment for VAT fraud.

¹²⁷ GNP Committee, CPNB/166. Report to the Council and the European Parliament on the application of the Council Directive on the determination of GNP at market prices, 1995. §2.4.

¹²⁸ Order of the Commission on the treatment of VAT fraud in national accounts 24.07.98.

The adjustment for VAT fraud relates to VAT fraud without complicity.

In the case of VAT fraud with complicity (cf. also 3.25.3) the seller and the purchaser agree not to invoice the VAT. There is therefore no transaction relating to the legally applicable VAT, and the amount of the fraud does not therefore form part of GDP. In the case of VAT fraud without complicity on the other hand, the purchaser pays the VAT, but the seller does not pay this over to the general government.

7.2. APPLICATION

7.2.1. Use of registers

An important aspect for achieving an exhaustive GDP concerns the performance of the register of production units. In the sections "Business register and directory" (cf. 3.1.1) and "Sources" (cf. 11.1.1) there was an explanation of how a directory is constructed from the DGSEI business register, in which at present only non-VAT-registered enterprises which are not incorporated *and* which have no staff are missing. The aggregates for these corporations are calculated via another register, namely the personal income tax return (cf. below).

It can therefore be stated that the calculation of the GDP via the output approach is based on an exhaustive register.

Since all producing units are registered, an adjustment for hidden labour, as defined by Eurostat, is not relevant.

7.2.2. Estimate of the black economy¹²⁹

In practice, there is an overlap between hidden labour and tax fraud.

A registered corporation may commit tax fraud by working with undeclared labour: overtime worked by registered staff, or activities performed by staff not registered by the corporation. An unregistered corporation that (by definition) works purely with hidden labour, is at the same time committing tax fraud. Note that it may be assumed that the VAT fraud that is committed in this case, is pure VAT fraud with complicity. Should this relate to VAT fraud without complicity, and VAT is deductible by the purchaser, then the clandestine corporation runs the risk of being discovered¹³⁰.

In practice it is also not possible at present to make a separate estimate for VAT fraud and tax fraud excluding VAT fraud. Both types of fraud moreover go together: income related to VAT fraud is not declared by the producers.

One of the transitional adjustments of the administrative aggregates for ESA 1995 aggregates concerns the extrapolation for the black economy (cf. 3.3.1.2. adjustments (y) for S.11 and S.14).

¹²⁹ At present no adjustment for illegal activities is yet made.

¹³⁰ Conversely it does not necessarily apply that all VAT fraud with complicity is committed by clandestine corporations.

Since there is no information available that permits a separate adjustment to be made for value added resulting from unregistered labour, undeclared taxable income and VAT fraud without complicity, an overall adjustment per SUT sector is estimated.

This overall adjustment per SUT sector is calculated by applying percentages to turnover and acquisitions for S.11 corporations¹³¹ and S.14 corporations separately, according to the NACE classification considered relevant within a SUT sector for a differentiated adjustment per activity. If a SUT sector is composed of NACE sectors for which different percentages apply for the black economy, the percentage for turnover, or acquisitions, of the SUT sector is calculated as an average (weighted with turnover or acquisitions) average of the NACE components.

For some industries both turnover and acquisitions are adjusted (e.g. construction), for others an adjustment is only necessary for turnover (e.g. legal services). For most industries turnover and acquisitions are adjusted by the same percentage (producers after all ensure that the proportion between declared turnover and acquisitions remains acceptable for the tax authorities).

As in most other European countries the black economy is most greatly developed in industries that supply the majority of their production to private individuals. This applies among other things for the construction industry (in particular for building installation and building completion), the retail trade, the maintenance and repair of motor vehicles, Hotels and restaurants, the activities of doctors, dentists and veterinary surgeons, and other services to private individuals.

In SUT sectors 45D.1 building installation and 45E1 building completion, part of the total adjustment relates to unregistered labour.

7.2.3. Application of ESA 1995 definitions

Exhaustiveness of the GDP is also by definition obtained by correctly applying ESA 1995 definitions. In the output approach this is achieved by a detailed estimate of all transitional components between the administrative aggregates and the aggregates according to ESA 1995 (cf. 3.3).

Within the framework of the exhaustiveness two specific corrections can be mentioned: the correction for salaries in kind and the adjustment for gratuities.

¹³¹ Only for SMEs which may or may not file annual accounts (categories B1+B2+B3+C1+C2).

The official turnover and acquisition figures for large corporations known via the annual accounts or VAT (categories A1+A2) are not extrapolated.

7.2.4. Summary of the exhaustiveness adjustments

7.2.4.1. Exhaustiveness adjustments to value added

The following table gives the extrapolation of value added for undeclared labour per industry and sector for the year 2003.

Extrapolations for undeclared labour per sector and per industry

(millions of euros)

2003

Value added (B.1g)	(a)	(b)	(c)	(b)/(c) %
	official	undeclared	total	
S.11	142 378.1	5 870.6	148 248.7	4.0%
agriculture, forestry and fisheries	674.0	0	674.0	0.0%
processing industry and energy	47 872.7	253.2	48 125.9	0.5%
construction	8 142.6	1 671.6	9 814.2	17.0%
trade and hotels, restaurants, cafés	29 655.3	1 783.4	31 438.7	5.7%
other services	56 033.5	2 162.4	58 195.9	3.7%
S.14	38 785.6	4 258.4	43 044.0	9.9%
agriculture	2 064.2	15.1	2 079.3	0.7%
processing industry	590.3	139.8	730.1	19.2%
construction	1 049.3	1 074.3	2 123.6	50.6%
trade and hotels, restaurants, cafés	2 845.8	1 344.1	4 189.9	32.1%
other services	32 236.0	1 685.1	33 921.1	5.0%
NACE 70 (rental)	19 706.1	15.8	19 721.9	0.1%
NACE 95 (domestic staff)	909.0	0.0	909.0	n.s.
Other	11 620.9	1 669.3	13 290.2	12.6%
S.12	13 930.7	0	13 930.7	0.0%
S.13	38 468.5	0	38 468.5	0.0%
S.15	1 994.6	0	1 994.6	0.0%
S.1	235 557.5	10 129.0	245 686.5	4.1%
fraud-sensitive component (*)	157 810.3	10 098.2	167 908.5	6.0%
fraud-insensitive component	77 747.1	30.9	77 778.0	0.0%
D.21-D.31			28 971.3	
GDP	264 528.8	10 129.0	274 657.8	3.7%
p.m.: share of undeclared in fraud-sensitive component S.14				20.8%

(*) S.11 excluding NACE 0, 02 and 05 + S.14 excluding NACE 01, 02, 05, 70, 95

The total extrapolation of value added from undeclared labour is EUR 10 129 million or 3.7% of GDP.

A significant part of GDP is also fraud-insensitive: no extrapolation is estimated for the value added achieved by the general government, financial sector and NPAs and the estimating methods for agriculture, housing services and the services of domestic staff are price*quantity approaches that are not distorted by possible fraud. The proportion of the adjustment for undeclared labour in the fraud-sensitive component of value added is 6%.

The extrapolation in S.11 is EUR 5 871 million or 4% of the total value added achieved in non-financial corporations. The adjustment in the processing industry and energy is low because large corporations - whose value added cannot be extrapolated – represent more than 90% of the total value added here.

For households S.14 an explicit adjustment is made of EUR 4 258 million.

The calculation of value added for agriculture, forestry and fisheries is based on detailed quantity and price data derived from agriculture statistics and is therefore largely fraud-insensitive (only extrapolation in services related to agriculture and animal husbandry: NACE 01.4).

The estimate of value added relating to the production of housing services is also a price*volume approach and therefore fraud-insensitive¹³². For the sector private households with employees (NACE 95), an average hourly rate is applied to an estimated number of hours worked, as a result of which this implicitly takes into account an adjustment for the black economy.

The extrapolation for undeclared labour is 9.9% of the total value added of S.14. If one does not take into account the NACEs estimated in a fraud-insensitive way then this proportion rises to 20.8%. The extrapolation is considerable in construction and trade and hotels, restaurants and cafés.

7.2.4.2. Exhaustiveness adjustments to wages and salaries

The following table gives the total exhaustiveness adjustments to compensation of employees for 2003.

Exhaustiveness adjustments to wages and salaries for 2003

	wages and salaries				
	official (*)	undeclared	in kind	gratuities	total
S.11	93.704.7	925.8	756.7	289.2	95.676.4
S.12	8.257.0	0	26.8	0	8.283.8
S.13	33.764.9	0	0	0	33.764.9
S.14	2.848.4	91.6	5.7	42.1	2.987.8
S.15	1.884.2	0	0	0	1.884.2
total	140.459.2	1.017.4	789.2	331.3	142.597.1

(*) including NACE 95 in S.14

In total extrapolations were made from the wages and salaries bill of EUR 2 138 million for undeclared wages and salaries (EUR 1 017 million), wages and salaries in kind (EUR 789 million) and gratuities (EUR 331 million).

¹³² An extrapolation is only estimated for self-employed estate agents whose activity is also included in this NACE heading.

The total extrapolation of wages and salaries for undeclared labour is EUR 1 017 million or 0.7% of the total wages and salaries bill.

The extrapolation in S.11 is EUR 926 million or 1% of the total wages and salaries bill. This extrapolation is relatively less significant than the extrapolation of value added because undeclared wages and salaries are paid net (excluding fiscal and parafiscal levies) and wages and salaries paid to undeclared workers are on average on the low side.

The extrapolation in S.14 is EUR 92 million or 3.1% of the total wages and salaries bill. In this sector the composition of the value added differs considerably from that in S.11 because many self-employed have no or only a limited number of employees. The extrapolation of the value added for undeclared labour is therefore only reflected here to a limited degree in the wages and salaries (mixed income is extrapolated to a much greater degree).

In addition adjustments are also made for wages and salaries in kind. In hotels, restaurants and cafés (free meals) and automotive engineering (discounts on purchasing a car from employer) amounts are estimated from wages and salaries in kind produced (EUR 55 million in S.11 and EUR 6 million in S.14: the turnover and wages and salaries are extrapolated by these amounts).

In virtually all S.11 sectors amounts are estimated for wages and salaries in kind purchased (goods and services purchased from the employer and made available to employees). In total this involves EUR 702 million that is transferred from acquisitions to wages and salaries.

Benefits in kind in the form of interest subsidies granted by financial institutions (S.122) were estimated at EUR 9 million in 2003. This amount is added to wages and salaries and is implicitly included in the calculation of output by FISIM. Given that these interest subsidies mainly concern mortgage loans granted to buy a home, the production of FISIM relating to this benefit in kind is entirely consumed by households as producers of housing services (cf. point 9 FISIM: calculation, allocation and impact on GNI). In sectors S.123 and S.124 wages and salaries in kind purchased are also estimated (EUR 18 million) which gives a total wages and salaries in kind in S.12 of EUR 27 million.

In some industries (hotels, restaurants, cafés, hairdressers, taxis) the turnover is increased because of gratuities given. In S.11 and S.14 these are respectively EUR 289 million and EUR 107 million. We find this extrapolation in full in wages and salaries for S.11 and partly in wages and salaries and operating surplus in S.14 (respectively EUR 42 million and EUR 65 million).

7.2.5. Other possible tests for exhaustiveness

When drawing up the Belgian national accounts no method other than integration of the supply and use table is used to determine the extent of the black economy.

Alternative estimates are among other things made by authors who use a monetary method. It is however generally accepted that the results of these studies depend too much on macro-economic hypotheses. Furthermore they do not provide the amounts per industry required to draw up the national accounts.

A tax audit, which attempts via fiscal sources, to estimate the adjustment coefficients for the black economy, has not produced any usable results in Belgium. During investigation into tax fraud the tax authorities do not aim to deduce coefficients that would be representative for a complete NACE category, and which could therefore be used to estimate the black economy. The selection of corporations to be audited does not take into account representativeness per NACE category and also depends on fluctuating political sensitivities.

Employment per NACE category plays no part in the calculation of the Belgian GDP (except to calculate the value added of NACE 95 private households with employees). Data on employment are available from the Ministry for Employment and Labour, the National Social Security Office and in the labour force survey (DGSEI), and are used to draw up ESA 1995 tables relating to employment.

Investigation into the consistency between production, compensation of employees and employment enables any problems to be identified.

The following adjustments can be made to the administrative figures relating to employment to arrive at the figures published in the national accounts (year 2003).

Figures that can be deduced from administrative sources	(*1000)
employees	3 438
self-employed persons	679
total	4 117
Adjustments to administrative figures	
estimate of an annual average based on four quarters	-1
addition of units missing in administrative registers	+38
addition of unregistered units active in the black economy	+77
adjustments for duplications and other corrections	-86
total adjustments	+28
Figures included in the national accounts	
employees	3 466
self-employed persons	679
total	4 145
<i>p.m. Employment according to labour force survey (LFS)</i>	4 070

8. TRANSITION FROM GDP TO GNI

8.1. COMPENSATION OF EMPLOYEES (D.1)

8.1.1. Scope

Total compensation paid:

- by resident employers to non-resident workers from neighbouring countries (**incoming frontier workers**);
- by non-resident employers operating in neighbouring countries and by the EU and NATO to resident workers (outgoing frontier workers).

8.1.2. Methodology

(a) Incoming frontier workers:

Variables	Sources or calculation	Data for 2003
(1) Number of incoming frontier workers	Ministry of Employment and Work	31 913
(2) Average private-sector remuneration in Belgium	National Social Security Office	€ 41 185
(3) Total remuneration of incoming frontier workers D.1 (resources, S.2)	(1) x (2)/10 ⁶	€1 314.4 million

(b) Outgoing frontier workers and EU and NATO employees:

Variables	Country	Source	2003 data
(1) Number of frontier workers	France	Ministry of Employment and Work	5 401
(2) Average remuneration	France	Eurostat	€ 36 200
(3) Total remuneration of outgoing workers	France	(1) x (2)/10 ⁶	€ 195.5 million
(4) Number of frontier workers	Netherlands	Ministry of Employment and Work	19 329
(5) Average remuneration	Netherlands	Eurostat	€ 33 525
(6) Total remuneration of outgoing frontier workers	Netherlands	(4) x (5)/10 ⁶	€ 648.0 million
(7) Number of frontier workers	Germany	Ministry of Employment and Work	5 235
(8) Average remuneration	Germany	Eurostat	€ 35 558
(9) Total remuneration of outgoing workers	Germany	(7) x (8)/10 ⁶	€ 186.1 million
(10) Total remuneration of outgoing workers	Luxembourg	STATEC, Luxembourg	€ 1 358.0 million
(11) Total remuneration of all frontier workers: D.1 (uses S.211 employment, EU Member States)		(3) + (6) + (9) + (10)	€ 2 387.6 million
(12) Total remuneration of resident workers by the EU: D.1 (uses S.212 employment, European institutions)		Balance of payments	€ 2 267.5 million
(13) Total remuneration of resident workers by the NATO: D.1 (uses S.22 employment, non-member countries and international institutions)		NATO	€ 168.5 million
(14) Total remuneration of outgoing frontier workers and EU and NATO remuneration to resident workers: D.1 (uses S.2 employment)		(11) + (12) + (13)	€4 823.6 million

8.2. TAXES ON PRODUCTION AND IMPORTS (D.2)

- VAT revenue collected by Belgian general government and paid to the EU;
- Entry duties on imports from non-member countries paid to the EU;
- Taxes on imports from non-member countries paid to the EU (agricultural levies);
- Taxes on products: sugar levy, penalties for exceeding milk quotas and ECSC levies.

<i>Definition</i>		<i>Source</i>	<i>2003 data</i> <i>(millions of euros)</i>
VAT receipts	D.211	National accounts S.13	555.7
Import duties	D.2121	Idem	1 246.7
Taxes on imports (other)	D.2122	Idem	28.5
Taxes on products, except VAT and import taxes	D.214	Idem	30.0
Total taxes on production and imports			1 800.9

8.3. SUBSIDIES (D.3)

Subsidies, whether on products or not, granted by the EU within the framework of the CAP (common agricultural policy).

<i>Definition</i>		<i>Source</i>	<i>2003 data</i> <i>(millions of euros)</i>
Subsidies on products	D.319	National accounts S.13	853.8
Other subsidies on production	D.39	Idem	12.0
Total subsidies			865.8

8.4. INTEREST (D.41)

8.4.1. Principle of establishment of interest matrices

In the sector accounts, the interest received and paid by each institutional sector is recorded in the primary income allocation account with no information on the counterpart sector that received or paid the interest concerned, but the totals are estimated from interest matrices that show interest flows by counterpart sector.

The basic principle for the establishment of interest matrices relies on identifying the counterpart sector that received or paid the interest. Failing direct information on interest flows between sectors, each matrix cell is estimated from data on claims and debts available in the financial accounts to which theoretical yield rates are applied (depending on the creditor sector, the debtor sector and the financial instrument). The result is an interest matrix with totals in rows and columns representing the total interest received and paid by institutional sectors.

Some interest flows are known or estimated from other sources and therefore do not have to be estimated from the matrix of claims and debts of the financial accounts. This applies particularly to the flows of certain financial institutions (S.121, S.122, S.125) and general government (S.13), for which accounting data on total interest received and paid are available. These accounting data represent constraints on the rows and columns of the interest matrix. The constraints for sectors S.121 and S.122 are used for aligning the results of the theoretical calculation, thereby making it possible to determine the interest received and paid by counterpart sector corresponding to the accounting data. The data for general government are from general government accounts that show the source and destination of interest flows.

There is also accounting information on non-financial corporations (S.11), on other financial intermediaries and financial auxiliaries (S.123 and S.124) and on NPISHs (S.15), but it needs further treatment to extract the interest component from investment income and from financial charges. The flows of interest received and paid estimated from the accounting data of sectors S.123, S.124 and S.15 are less reliable and therefore less constraining than the accounting data of sectors S.121, S.122 and S.125 and general government.

In sectors where there are no accounting constraints on interest received and paid, specifically households (S.14) and the rest of the world (S.22), interest flows are determined from calculated counterparts of other sectors and from the results of the theoretical calculation done on the matrix of current financial claims and debts.

The introduction of various external sources for calculating the interest matrix means that the system is no longer "closed" and that the sum of all the interest received and paid is not balanced. Balancing is applied to the interest received or paid of sectors for which there are no constraints.

The aims of the methodology (developed within the scope of the 2005 revision) are as follows:

- generalisation of the matrix approach to interest flow calculation, which ensures *internal consistency of interest flows*;
- use of the matrices of claims and debts of the financial accounts for the calculation of interest, to improve *coherence between the financial accounts and the income from property* of the non-financial accounts;
- development of a working method giving priority to *appropriate sectorisation according to information sources and calculation methods* (choice of reference rates for theoretical calculation);
- introduction of *new information sources* such as statistics on "MFI interest rates" (MIR) (available since January 2003) for theoretical calculation of interest received and paid by banks and the survey of direct investments in the balance of payments for interest received and paid between linked enterprises;
- compilation of *quarterly sector accounts*, since the interest matrices are calculated for each quarter.

New interest matrices are established for nine sectors:

- non-financial corporations (S.11)
- the National Bank of Belgium (S.121)
- monetary financial institutions (S.122-1)
- mutual funds (S.122-2 and S.123)
- other financial intermediaries (S.123)
- insurance corporations and pension funds (S.125)
- general government (S.13)
- households and NPISH (S.14+S.15)
- rest of world (S.2)

A theoretical calculation of interest received and paid by each of these sectors is made for the following financial instruments¹³³:

- AF22 Transferable deposits
- AF29 Other deposits
- AF33 Securities other than shares, excluding financial derivatives
- AF4 Credits
- AF921 Errors and omissions

This theoretical calculation is aligned on interest received and paid by S.121, S.122-1, mutual funds and S.13. At the same time, a ranking of sources is also established in the following sequence:

- S.13 for interest paid
- S.121 for interest received and paid
- Mutual funds for interest paid¹³⁴
- S.122-1 for interest received and paid
- S.13 for interest received

This ranking implies that, even when aligned, the total interest paid and received by a sector may differ slightly from the accounting constraints if a cell is replaced by information obtained elsewhere for a higher-ranking sector.

The "theoretical" interest matrix does not correspond directly to the sectorisation of accounts. A conversion is necessary and takes place at the time of balancing, when the accounting constraints are applied. Matrix balancing under the new method involves three stages:

Starting point: A "theoretical" matrix (theoretical calculation, aligned for certain sectors) which is balanced.

Stage 1: Breaking down the matrix totals according to the sectorisation of national accounts and applying the accounting constraints, which introduce an imbalance between interest paid and received.

¹³³ The interest calculation is done at the most disaggregated level of the nomenclature of financial accounts in order to take into account the most appropriate yields according to instrument.

¹³⁴ A principle of transparency is applied to the investment income of CIIs. Whether capitalised or distributed, income received by CIIs in the form of interest is regarded as paid in the form of interest to holders of shares, while dividends received by CIIs are regarded as paid in the form of dividends to holders of shares (ESA 1995, § 4.49b and § 4.54b). In the case of income capitalisation, an acquisition of shares is recorded in the financial accounts in an amount corresponding to the capitalised income.

- Stage 2: Rebalancing the matrix by re-estimating the interest of sectors where there is no constraint. Balancing is applied to sectors that are substantial in terms of interest flows (S.14, S.2 and S.11), taking into account the implicit yields and the accounting data, even if the latter are not regarded as constraints;
- Stage 3: Applying a RAS method to balance the interior of the matrix with respect to the row and column totals established in stage 2, using the interior of the theoretical matrix as the starting point of the iterative process.

8.4.2. Interest matrices after adjustment for FISIM

Since 1 January 2005¹³⁵, interest recorded in accounts has to be adjusted for FISIM (financial intermediation services indirectly measured). This adjustment is equivalent to reclassifying part of interest payments as payment for services.

With respect to gross interest flows (before FISIM adjustment), the impact of applying FISIM is as follows:

For FISIM producers

- a decrease of resources of D.41 (decrease of interest received on credits)
- an increase of uses of D.41 (increase of interest paid on deposits).

Overall, FISIM producers record a decrease in net resources of D.41.

For FISIM consumers

- an increase of resources of D.41 (more interest received on deposits)
- a decrease of uses of D.41 (less interest paid on credits).

Overall, FISIM consumers record a increase in net resources of D.41.

The FISIM adjustment is neutral as regards the balance of the interest matrices, but it does affect the total interest received and paid by all sectors.

¹³⁵ Effective date of Commission Regulation (EC) No 1889/2002 stating the modalities for FISIM allocation to user sector.

8.4.3. Results for 2003

Interest paid to and received from the rest of the world S.2 is obtained after balancing the interest matrix and applying the adjustment for FISIM:

Interest from and to the rest of the world			
<i>2003 millions of euros</i>	gross flow	adjustment FISIM	after adjustment FISIM
D.41 from S.2	23 141.2	-1 168.9	21 972.3
D.41 to S.2	19 177.2	-224.0	18 953.2
D.41 net received			3 018.9

8.5. DISTRIBUTED INCOME OF CORPORATIONS (D.42)

8.5.1. Dividends (D.421)

Dividends paid and received D.421 are calculated per institutional sector and recorded in the year that they are effectively paid or received^{136,136}.

The calculation of dividends paid to and received from the rest of the world is assessed in the whole of the dividend flows between different sectors. This calculation is carried out roughly as follows:

Resources

The annual accounts for non-financial corporations (S.11) include information on revenues from financial fixed assets (annual account code 750, includes mainly dividends) and from current assets (annual account code 751, contains mainly interest). Via information from the structure survey (SSE) the sum of both headings is apportioned to dividends and interests.

For financial institutions (S.12) the procedure is similar to that for non-financial corporations that file annual accounts. Dividends received by the general government (S.13) are determined in the general government account.

For dividends received by the rest of the world (S.2) from Belgium (S.1) a distinction is made between dividends resulting from direct investments and dividends resulting from portfolio investments.

Direct investments:

- For dividends paid by non-financial corporations (S.11), Other financial intermediaries with the exception of insurance corporations and pension funds (S.123) and Financial auxiliaries (S.124) the control percentage for direct investments is applied to the individual information (annual account code 694) of the relevant direct investment corporation;
- Dividends paid by Other monetary financial institutions (S.122) to the rest of the world are calculated in a similar way;
- Insurance corporations (S.125): calculated in a similar way for corporations that report to the Banking, Finance and Insurance Commission.

¹³⁶ ESA 1995 makes an exception regarding the receivables principle for the recording of dividends (ESA 1995 § 4.55): dividends are entered when the corporation makes the decision to pay. Dividends arising for the activity of year t will be recorded in the annual accounts for t, that are submitted to the general meeting in t+1, and are therefore recorded in the national accounts in t+1.

Portfolio investments:

Dividends resulting from portfolio investments are calculated by the Balance of payments service by multiplying outstanding amounts by a dividend return percentage (cf. below).

Dividends received by households (S.14) are determined as a balancing item, i.e. after calculation of all other dividend flows, including those from and to the rest of the world.

Uses

For dividends paid by non-financial corporations (S.11) and financial institutions (S.12) accurate direct accounting information is available (annual account codes).

Dividends paid by the rest of the world to Belgium are calculated by the Balance of payments service, where a distinction is made between D.421 resulting from direct investments and D.421 resulting from portfolio investments.

Direct investments:

The direct investments survey contains information on the dividends paid by the direct investment corporations. D.421 paid to Belgium is estimated by applying the control percentage.

Portfolio investments:

Dividends from portfolio investments are estimated via an indirect method: outstanding amounts are multiplied by a dividend return percentage.

Estimate of dividends from portfolio investments.

The general method consists in determining the current value of Belgian shares held by the rest of the world and foreign shares held by Belgium. Once these have been determined and correctly valued, we multiply them by an average dividend distribution rate to arrive at the total amount of dividends paid and received by the rest of the world. Current volume is defined as the number of shares multiplied by their value, and if we multiply the result by the ratio of the average dividend to latest market price, we obtain the number of shares multiplied by the average dividend distributed, i.e. the amount of dividends distributed.

$$\underbrace{\text{Number of shares} \times \text{Value per share}}_{\text{Current value}} \times \underbrace{\text{Average dividend} \times 1/\text{Value per share}}_{\text{Gross dividend yield}} = \text{Dividend flow}$$

The first step is to establish the value of outstanding shares. This total is determined as the total inventory of shares as at the end of the previous year, revalued on the basis of stock market trends, and augmented with the investment flows in the current period..

$$\text{Values of shares}_t = \text{Inventory of shares}_{t-1} \text{ at market prices} + \text{Investment flows in shares}_{t-1 \rightarrow t}$$

The valuation at market prices of the previous year's inventory is done on the basis of stock exchange index trends.

In the case of foreign shares held by Belgian residents, this index is calculated by weighting the indices of the various foreign stock exchanges by the proportion of the weight of the various countries in the basket of the Belgian residents.

The dividend yield (average dividend paid/average market price per share) is then applied to the current value to determine the total amount of dividends paid to/received from the rest of the world. The rates applied are those published under *Gross Dividend Yield* on the internet site of the International Federation of Stock Exchanges.

The yield of foreign shares is determined as the weighting of the *Gross Dividend Yield* rates of the various stock exchanges by the proportion of the different countries.

For Belgian shares, the *Gross Dividend Yield* is that of Euronext Brussels. This rate can be applied directly to current values of Belgian shares.

Dividends from/to the rest of the world in 2003

<i>millions of euros</i>	2003
Dividends received from other countries	5 432,8
of which from direct investments	3.629,4
Dividends paid to other countries	9 386,2
of which from direct investments	8.769,2
Net received from other countries	-3 953,4

8.5.2. Withdrawals from income of quasi-corporations (D.422)

We do not currently have the necessary information for estimating withdrawal from the income of quasi-corporations by/from the rest of the world.

8.6. REINVESTED EARNINGS ON DIRECT FOREIGN INVESTMENT (D.43)

D.43 is the part of the profit from a foreign subsidiary that is not distributed in the form of dividend to the parent company. Direct investments of corporation A in B are involved when A controls at least 10 percent of the share capital of B.

The relevant profit concept is the net current operating profit (NCOP) concept, i.e. excluding exceptional income and costs (such as e.g. liquidation dividends, holding gains and losses in the profit and loss account, etc.)

D.43 in year t = (NCOP in t – dividends paid out in t) * control percentage. If the dividend is greater than the profit D.43 will be negative.

For example for a direct investment corporation resident in Belgium and for which the difference between operating profits and distributed dividend is positive (amount a), the GNI is adversely affected by amount (a) multiplied by the control percentage of the foreign direct shareholder in the Belgian corporation. This amount is entered as if it is paid out to the foreign shareholder and invested by the direct investor back in the Belgian economy (via heading F513 Other equity in the financial accounts).

8.6.1. Resources

The data for calculating D.43 originating from the rest of the world are available in the direct investments survey drawn up by the Balance of payments service. A separate survey form is available for financial and non-financial corporations. The results of the survey are taken over in the national accounts.

8.6.2. Uses

8.6.2.1. Non-financial corporations (S.11)

The population of direct investment corporations is composed by combined use of the direct investments survey organised by the Balance of payments service and the structure survey for non-financial corporations. Both surveys also give information on the control percentage exercised by non-resident corporations over resident corporations.

Detailed information is available for all corporations that allows the net current result to be calculated per corporation. After reducing the distributable profit one gets the retained profit, upon which by applying the control percentage the reinvested profit per corporation can be calculated.

8.6.2.2. Financial institutions (S.12)

Other monetary financial institutions (S.122)

For *monetary financial institutions subject to Belgian law* the calculation is carried out on an individual basis. Information on these monetary financial institutions is available via the Banking, Finance and Insurance Commission and the direct investments survey of the balance of payments.

From the financial statistics database (annual accounts of financial institutions: Schedule A) for each corporation information is available on profits (after depreciation and taxes), losses, exceptional income, exceptional expenses and dividends paid out, which permits the current result to be compiled.

After reducing the current net result by the dividends paid out, by applying the control percentage, one gets the profits deducted in Belgium and reinvested by the rest of the world.

The *monetary financial institutions subject to foreign law* are calculated on a global basis. Information on the profits (after depreciation and taxes), losses, exceptional income and exceptional costs, is available in the annual accounts of the financial institutions. These branches are by definition fully controlled by the foreign parent company, there is no share capital relating to the branch office, and no dividends are therefore paid out. The profits obtained are in practice found to be fully reinvested.

Insurance corporations and pension funds (S.125)

The control percentage of insurance corporations is deduced from data for the relevant individual corporations. This percentage is applied to the net current result of the entire sector. This net result can be deduced from the annual accounts of the insurance corporations.

The calculation for Other financial intermediaries (S.123) and Financial auxiliaries (S.124) is carried out in a similar way to that for non-financial corporations.

8.6.3. Resources and uses in 2003

<i>millions of euros</i>	2003
Resources	
S.11	614.5
S.12	808.3
total	1 422.8
Uses	
S.11	-218.6
S.12	-280.8
Total	-499.4
Net resources	1 922.2

8.7. PROPERTY INCOME ATTRIBUTED TO INSURANCE POLICY HOLDERS (D.44)

Property income attributed to insurance policy holders on the resources side of the rest-of-the-world account is calculated as follows.

The amount of insurance premiums received from other countries by enterprises established in Belgium is obtained from the balance of payments. The prevailing ratios of property income to gross premiums in the domestic market are applied to these premiums. These ratios differ across life, non-life and transport insurance.

S.2 resources

	<i>Source</i>	2003 data
Life insurance premiums received from rest of world (a)	Balance of payments	584.4
Non-life insurance premiums received from rest of world (b)	Balance of payments	821.4
Transport insurance premiums received from rest of world (c)	Balance of payments	33.4
Ratio of property income to life insurance premiums on domestic market (d)		21.54 %
Ratio of property income to non-life insurance premiums on domestic market (e)		7.05 %
Ratio of property income to transport insurance premiums on domestic market (f)		2.82 %
Life income from property	(a)*(d)	125.9
Non-life income from property	(b)*(e)	57.9
Transport income from property	(c)*(f)	0.9
Reinsurance income from property		40.9
TOTAL PROPERTY INCOME (millions of euros)		225.6

The property income attributed to policy holders and paid to Belgium by the rest of the world is estimated by applying a long-term yield rate in euros to the net equity of households in "life insurance reserves and pension funds" held abroad (F61).

S.2 uses

<i>(millions of euros)</i>	<i>Source</i>	2003 data
Net equity of households in life insurance reserves (a)	financial accounts	11.905
Long term yield (b)	(F61)	4,30 p.c.
Total property income (millions of euros)	(a)*(b)	511,9

8.8. RENTS (D.45)

Not relevant for the Belgian economy.

9. FISIM: CALCULATION, ALLOCATION AND IMPACT ON GNI

9.1. GENERAL OVERVIEW

Total output of financial services comprises two elements: commissions and income from financial intermediation services. Although commission remuneration for services has grown over recent years, a large proportion of financial services are still invoiced implicitly: neither their value nor their volume nor their price are observed directly. Financial corporations thus cover part of their expenditure and produce an operating surplus by setting the interest rates they charge on funds lent at a higher value than the rates they pay on funds borrowed. SNA 1993 and ESA 1995 use the concept of financial intermediation services indirectly measured (FISIM) to evaluate financial services that are not explicitly invoiced, and recommend allocating FISIM among user sectors.

The system of national accounts is based on the principle that each time output is recorded there has necessary to be explicit recording of use of that output elsewhere. This means that FISIM give rise to one or other of the following uses: intermediate consumption, final consumption or exports. This treatment ensures that the levels of GDP and GNI take FISIM into account in the same way as any other output¹³⁷.

¹³⁷ Commission Regulation (EC) No 1889/2002 of 23 October 2002 stated the arrangements for FISIM apportionment by user sector pursuant to Council Regulation (EC) No 448/98 of 16 February 1998 amending and supplementing Regulation (EC) No 223/96 as regards the breakdown of FISIM among user sectors within the scope of the System of National and Regional Accounts (ESA 1995). The approach adopted before the new European legislation came into force in January 2005 did not break FISIM output down among users. The whole of that output was recorded, by convention, as intermediate consumption of a notional branch of activity. FISIM output thus generated no added value and had no impact on GDP.

9.2. SCOPE

FISIM output is calculated on deposits received and loans granted by financial intermediaries belonging to the subsectors of other monetary financial institutions (S.122) and other financial intermediaries except insurance enterprises and pension funds (S.123), other than mutual funds.

Only the management of loans and deposits generates output insofar as the interest rates applied to them are controlled by financial intermediaries and therefore include remuneration for the latter's intermediation services. The decision to confine the calculation of FISIM to loans and deposits is based on the following:

- FISIM are not calculated on securities other than shares and the like, because financial intermediaries do not control the interest rates on them;
- Interest on deposits and loans is readily identifiable, with a clear distinction between the rates on loans (higher) and those applied to deposits (lower). This distinction is important, since the FISIM breakdown method is based on the difference between the implicit interest rates on deposits and loans and a reference rate. This distinction is less clear in the case of bonds and securities.

Mutual funds are excluded from the scope of FISIM calculation.

The financial intermediation of insurance enterprises and pension funds (S.125) is of a different kind from that of subsectors S.122 and S.123. These organisations are excluded from FISIM calculation insofar as their main activity does not consist in receiving deposits and granting loans. Financial auxiliaries (S.124) are financial corporations but not financial intermediaries, so they do not produce intermediation services.

Finally, the central bank (S.121) is excluded from FISIM calculation: its output is measured on the basis of the sum of its costs (Regulation (EC) 448/98). This treatment arises from the very specific nature of monetary intermediation conducted by a central bank as a public financial corporation which is a monetary authority in that it issues bank notes and sometimes coins and manages the whole or part of the country's foreign exchange reserves. The central bank's income is mainly generated by seigniorage.

9.3. METHOD OF CALCULATION

The FISIM calculation method is based on calculating the margin defined as the difference between the interest rates actually received on deposits and paid on loans and a reference rate supposed to represent a "pure" interest rate exclusive of risk premiums and intermediation services.

For each counterpart sector, the value of FISIM consumed may be formalised as follows:

$$\text{FISIM on loans: } + [r_{L,Si}^t - rr^t] * Y_{L,Si}^t$$

$$\text{FISIM on deposits: } - [r_{D,Si}^t - rr^t] * Y_{D,Si}^t$$

where $r_{L,Si}^t$ is the implicit rate on loans granted to sector i at period t

$r_{D,Si}^t$ is the implicit rate on deposits of sector i at period t

rr^t is the reference rate

$Y_{L,Si}^t$ and $Y_{D,Si}^t$ are respectively the average current outstanding amount of loans and deposits of sector i

The sum of FISIM on loans and deposits is often presented as

$$[r_{L,Si}^t - rr^t] * Y_{L,Si}^t + [rr^t - r_{D,Si}^t] * Y_{D,Si}^t$$

with the reference rate being generally higher than the rate on deposits where intermediation

FISIM are generated independently on the assets and liabilities side of the balance of financial intermediaries. The amount of loans on which FISIM are calculated may be higher or lower than the amount of deposits. For some intermediaries who finance themselves from other financial intermediaries or on the financial markets, FISIM may even be generated only on loans.

Outstanding amounts of deposits and loans and the corresponding interest have to be broken down by counterpart sector in order to distribute FISIM among user sectors. The basic data required for FISIM calculation are briefly as follows:

- a table of average outstanding amounts of loans and deposits per counterpart sector;
- a table of interest received and paid per counterpart sector, corresponding to the table of outstanding amounts;
- an internal reference rate and an external reference rate (see below).

The households sector (S.14) in the national accounts covers households as consumers and as producers. Separating FISIM consumption for final use from FISIM intermediate consumption entails distributing the data on households on the basis of whether they act as:

- consumers (final consumption of FISIM);
- owners of sole-trader enterprises and organisations without legal personality (intermediate consumption of FISIM);
- producers of housing services (intermediate consumption of FISIM).

The majority of the data used for FISIM calculation are from quarterly financial accounts and from interest matrices, which give information by counterpart sector (*who-to-whom*).

The *internal reference rate* is the implicit rate on interbank claims between resident financial intermediaries. The *external reference rate* used for calculating FISIM imports and exports is calculated as a weighted average of the rates on interbank claims and debts between resident and non-resident financial intermediaries. Only S.122 interbank claims and debts (and relating interest) are taken into account in calculating the reference rates¹³⁸.

FISIM calculation thus comprises the following elements:

- calculation of internal and external reference rates;
- calculation of FISIM produced by resident financial intermediaries for use by domestic sectors: relations of resident financial intermediaries with resident clientele;
- calculation of FISIM exports: relations between resident financial intermediaries and non-resident clientele, including non-resident financial intermediaries;
- calculation of FISIM imports: relations between non-resident financial intermediaries and resident clientele.

¹³⁸ Data of S123 units that produce FISIM are excluded from calculating the reference rate, because they are less reliable than those of banks. The reference rates are calculated from a uniform data source, i.e. the accounting schedule of credit institutions.

9.4. RESULTS FOR 2003

The allocation of FISIM to its users entails the reclassification of part of the interest payments as payments for services, and as a result has an impact on GDP and GNI.

There is no impact on saving and the financing balance of the units involved.

In the goods and services account the identity between resources and uses of FISIM can be verified:

goods and services account FISIM 2003		<i>millions of euros</i>	
resources		uses	
production P.1	7 569	5 631	intermediate consumption P.2
S.122	6 974	2 678	S.11
S.123	595	234	S.12
		202	S.13
		2 504	S.14 (*)
		13	S.15
imports P.7	546	993	final consumption of households P.3 S.14
		1 491	exports P.6
total	8 114	8 114	total

(*) of which €1702 million, as producer of housing services

10. MAIN CLASSIFICATIONS

This section gives an overview of the main classifications used to prepare the national accounts, and the relation between these classifications and the European classifications indicated in ESA 1995.

10.1. CLASSIFICATIONS USED IN THE OUTPUT APPROACH

10.1.1. Industry classification

In ESA 1995 the European industry classification NACE Rev.1¹³⁹, is grouped by industry classifications A60, A31, A17, A6 and A3. NACE Rev.1 has meanwhile been revised in NACE Rev. 1.1 which is valid from 01.01.2003. The NACE-BEL 2003, drawn up by the General Directorate of Statistics and Economic Information, is the Belgian version of NACE Rev.1.1. and is identical to NACE Rev.1.1 up to and including classification into classes (4-digits), but includes a further classification of the classes into subclasses (5-digits).

The Belgian industry classification in the national accounts groups categories of the NACE-BEL into 120 industries for the supply and use table (cf. 10.5.1 and 6.1).

NACE industries 10, 11 12 and 13 do not appear in the SUT classification. The only small corporations classified in the directory of production units classed in appear 10 were transferred to NACE 51.51 "wholesale of fuels". NACE 11 also contains a few corporations which after investigation were found to have previously belonged to NACE 51.51. NACE 12 does not occur in Belgium. Finally it was found that corporations classed in NACE 13 are mainly involved in trade and belong in NACE 51.52 "wholesale of metals and metal ores".

10.1.2. Product classification

The product classification in ESA 1995 is based on the European product classification CPA¹⁴⁰, that for reporting purposes is grouped by the classifications P.60, P.31, P.17, P.6 and P.3. This was also revised in 2003.

¹³⁹ Statistics nomenclature for economic activities in the European Community, Eurostat, 1993

¹⁴⁰ Statistics classification for products, linked to economic activities in the European Economic Community (CPA), Eurostat 1996.

For the integration of the supply and use table this classification is however aggregated. The CPA headings were therefore grouped into 320 SUT products¹⁴¹ (cf. 10.5.2 and 6.1). The delimitation of SUT products in terms of CPA headings is revised annually if the CPA is changed.

For industries reporting for the Prodcom survey¹⁴² the data can be grouped by the SUT classification via the CPA. The Prodcom classification is after all a further breakdown of the first 4 digits of the CPA.

The nomenclature used in the structure survey (cf. 11.1) to obtain detailed information on turnover, acquisitions and investments per product, is based on the CPA, which makes it possible to link to the SUT classification.

¹⁴¹ Coding of SUT products: the first 3 positions correspond with the first 3 of the SUT sector where the product is mainly produced, the following 2 are sequential.

¹⁴² Prodcom: community survey into industrial production, Eurostat.

10.2. CLASSIFICATIONS USED IN THE INCOME APPROACH

The income components of value added are calculated according to the same industry classification as value added (cf. 10.1.1).

For the classifications used for taxes on products D.21 and subsidies on products D.31: cf. 3.25 and 3.26.

10.3. CLASSIFICATIONS USED IN THE EXPENDITURE APPROACH

A consistent estimate of GDP is obtained by integrating the three approaches to GDP in the supply and use table. The SUT product classification (cf. 10.1.2) is therefore also relevant for the expenditure approach.

To initialise the SUT source data are grouped by SUT product classification.

The nomenclature of the household budget survey (cf. 11.3) contains around 800 headings, and was linked at a detailed level with both the SUT classification and the COICOP¹⁴³.

The Belgian nomenclature for imports and exports of goods is more detailed for some headings than the European nomenclature GN, and contains around 9000 headings. The link to the SUT product classification is possible via the CPA.

Data relating to imports and exports of services are available in the balance of payments for 48 headings (cf. 10.5.3).

After integration of the SUT the gross fixed capital formation according to the SUT classification is grouped by the Eurostat classifications Pi6 and Pi3. The final consumption expenditure of households can be grouped via the household budget survey nomenclature into Eurostat classification COICOP.

¹⁴³ COICOP: classification of individual final consumption by purpose (households).

10.4. CLASSIFICATIONS USED IN THE TRANSITION FROM GDP TO GNI

The gross national income (GNI) is obtained for the GDP by totalling the primary income that resident units receive from the rest of the world and deducting the primary income that resident units pay to non-resident units. These are therefore variables D.1, D.2, D.3 and D.4.

Where the calculation is carried out on the basis of the balance of payments data, the relevant nomenclature is used (cf. 10.5.3). Otherwise no specific classifications apply for the transition from GDP to GNI.

10.5. ANNEXES

10.5.1. Industry classification (SUT)

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
1	1	A	AA				Agriculture, hunting and forestry; fishing and operation of fish hatcheries and fish farms
							Agriculture, hunting and forestry
							Agriculture, hunting and related service activities Growing of crops; market gardening; horticulture Farming of animals Mixed farming
							Agricultural and animal husbandry service activities, except veterinary activities; landscape gardening Hunting, trapping and game propagation, including related service activities
							01 02A 02.0 Forestry, logging and related service activities
							B BB 05 05.0 Fishing, fish farming and related service activities
							Industry, including energy and construction
							Manufacturing and energy
							Mining and quarrying
							Mining and quarrying of energy producing materials
2	2	C	CA	10	10A	n.s.	Mining of coal and lignite; extraction of peat Mining and agglomeration of hard coal Mining and agglomeration of lignite Extraction and agglomeration of peat
							11 11A n.s. Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying Extraction of crude petroleum and natural gas Service activities incidental to oil and gas extraction, excluding surveying
							12 12A n.s. 12.0 Mining of uranium and thorium ores
							CB Mining and quarrying, except of energy producing materials
				13	13A	n.s.	Mining of metal ores Mining of iron ores Mining of non-ferrous metal ores, except uranium and thorium ores
							14 14A + 14.1 Quarrying of stone + 14.2 Quarrying of sand and clay + 14.3 Mining of chemical and fertilizer minerals n.s. 14.4 Production of salt + 14.5 Other mining and quarrying n.e.c.
				D	DA	15	Other mining and quarrying
							Manufacturing
							Manufacture of food products, beverages and tobacco
							Manufacture of food products and beverages
							15A 15.1 Production, processing and preserving of meat and meat products
							15B 15.2 Processing and preserving of fish and fish products
							15C 15.3 Processing and preserving of fruit and vegetables
							15D 15.4 Manufacture of vegetable and animals oils and fats
							15E 15.5 Manufacture of dairy products
							15F 15.6 Manufacture of grain mill products, starches and starch products
							15G 15.7 Manufacture of prepared animal feeds

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
					15H		Manufacture of other food products Manufacture of bread; manufacture of fresh pastry goods and cakes Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
					15I		Manufacture of sugar, chocolate and sugar confectionery Manufacture of sugar Manufacture of cocoa; chocolate and sugar confectionery
					15J		Manufacture of pasta, coffee and tea, and other food products Manufacture of macaroni, noodles, couscous and similar farinaceous products Processing of tea and coffee Manufacture of condiments and seasonings Manufacture of homogenized food preparations and dietetic food Manufacture of other food products n.e.c.
					15K		Manufacture of beverages, excluding mineral water and soft drinks Manufacture of distilled potable alcoholic beverages Production of ethyl alcohol from fermented materials Manufacture of wines Manufacture of cider and other fruit wines Manufacture of other non-distilled fermented beverages Manufacture of beer Manufacture of malt
					15L	15.98	Production of mineral waters and soft drinks
				16	16A	16.0	Manufacture of tobacco products
							Manufacture of textiles and textile products
							Manufacture of textiles
					17A		Preparation and spinning of textile fibres, textile weaving and finishing of textiles Preparation and spinning of textile fibres Textile weaving Finishing of textiles
					17B		Manufacture of made-up textile articles except apparel, other textiles, knitted and crocheted fabrics and articles Manufacture of made-up textile articles, except apparel Manufacture of other textiles Manufacture of knitted and crocheted fabrics Manufacture of knitted and crocheted articles
					18A		Manufacture of wearing apparel; dressing and dyeing of fur Manufacture of leather clothes Manufacture of other wearing apparel and accessories Dressing and dyeing of fur; manufacture of articles of fur
				DC	19A		Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear Tanning and dressing of leather Manufacture of luggage, handbags and the like, saddlery and harness Manufacture of footwear
							19.1 19.2 19.3

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
			DD	20	20A		Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials Sawmilling and planning of wood, impregnation of wood Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards Manufacture of builders carpentry and joinery Manufacture of wooden containers Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
			DE				Manufacture of pulp, paper and paper products; publishing and printing
			21		21A	+ 21.1 + 21.2	Manufacture of pulp, paper and paper products Manufacture of pulp, paper and paperboard Manufacture of articles of paper and paperboard
			22				Publishing, printing and reproduction of recorded media
					22A	22.1	Publishing
					22B	+ 22.2 + 22.3	Printing and related service activities and reproduction of recorded media Printing and service activities related to printing Reproduction of recorded media
			DF	23	23A		Manufacture of coke, refined petroleum products and nuclear fuel Manufacture of coke oven products Manufacture of refined petroleum products Processing of nuclear fuels
			DG	24			Manufacture of chemicals and chemical products
					24A	24.1	Manufacture of basic chemicals
					24B	24.2	Manufacture of pesticides and other agro-chemical products
					24C	24.3	Manufacture of paints, varnishes and similar coatings, printing ink and mastics
					24D	24.4	Manufacture of pharmaceuticals, medicinal chemicals and botanical products
					24E	24.5	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
					24F	24.6	Manufacture of other chemical products
					24G	24.7	Manufacture of man-made fibres
			DH	25			Manufacture of rubber and plastic products
					25A	25.1	Manufacture of rubber products
					25B	25.2	Manufacture of plastic products
			DI	26			Manufacture of other non-metallic mineral products
					26A	26.1	Manufacture of glass and glass products
					26B		Manufacture of ceramic products Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products Manufacture of ceramic tiles and flags Manufacture of bricks, tiles and construction products, in baked clay
					26C	26.5	Manufacture of cement, lime and plaster

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
					26D		Manufacture of articles of concrete, plaster and cement, stone and other non-metallic products Manufacture of articles of concrete, plaster and cement Cutting, shaping and finishing of ornamental and building stone Manufacture of other non-metallic mineral products
					DJ		Manufacture of basic metals and fabricated metal products
					27		Manufacture of basic metals Manufacture of basic iron and steel and of ferro-alloys and of tubes Manufacture of basic iron and steel and of ferro-alloys Manufacture of tubes
					27A		First processing of iron and steel, manufacture of basic precious and non-ferrous metals and casting of metals Other first processing of iron and steel Manufacture of basic precious and non-ferrous metals Casting of metals
					27B		Manufacture of fabricated metal products, except machinery and equipment
					28		Manufacture of structural metal products, tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers, steam generators, except central heating hot water boilers and forging, pressing, stamping and roll forming of metal; powder metallurgy Manufacture of structural metal products Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers Manufacture of steam generators, except central heating hot water boilers Forging, pressing, stamping and roll forming of metal; powder metallurgy
					28A		28.1 28.2
					28B	28.5	Treatment and coating of metals; general mechanical engineering
					28C		Manufacture of cutlery, tools and general hardware and other fabricated metal products Manufacture of cutlery, tools and general hardware Manufacture of other fabricated metal products
					DK	29	Manufacture of machinery and equipment n.e.c.
					29A	29.1	Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle and cycle engines
					29B	29.2	Manufacture of other general purpose machinery
					29C		Manufacture of agricultural and forestry machinery, machine tools, other special purpose machinery, weapons and ammunition Manufacture of agricultural and forestry machinery Manufacture of machine tools Manufacture of other special purpose machinery Manufacture of weapons and ammunition
					29D	29.7	Manufacture of domestic appliances n.e.c.

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
DL							Manufacture of electrical and optical equipment
							Manufacture of office machinery and computers
							Manufacture of electrical machinery and apparatus n.e.c.
							Manufacture of electric motors, generators and transformers, electricity distribution, insulated wire and cables
							Manufacture of electric motors, generators and transformers
							Manufacture of electricity distribution and control apparatus
							Manufacture of insulated wire and cable
							Manufacture of accumulators, primary cells and batteries, electric lamps and lighting and electrical equipment
							Manufacture of accumulators, primary cells and primary batteries
							Manufacture of lighting equipment and electric lamps
							Manufacture of electrical equipment n.e.c.
DM							Manufacture of radio, television and communication equipment and apparatus
							Manufacture of electronic valves and tubes and other electronic components
							Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
							Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
							Manufacture of medical, precision and optical instruments, watches and clocks
							Manufacture of medical and surgical equipment and orthopaedic appliances
							Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment
							Manufacture of industrial process control equipment
							Manufacture of optical instruments and photographic equipment
							Manufacture of watches and clocks
DM							Manufacture of transport equipment
							Manufacture of motor vehicles, trailers and semi-trailers
							Manufacture of motor vehicles
							Manufacture of bodies, trailers and semi-trailers, parts and accessories for motor vehicles
							Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
							Manufacture of parts and accessories for motor vehicles and their engines
							Manufacture of other transport equipment
							Building and repairing of ships and boats, manufacture of railway and tramway locomotives and rolling stock and manufacture of aircraft and spacecraft
							Building and repairing of ships and boats
							Manufacture of railway and tramway locomotives and rolling stock

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
						+ 35.3	Manufacture of aircraft and spacecraft
						35B	Manufacture of motorcycles and bicycles and other transport equipment n.e.c.
						+ 35.4	Manufacture of motorcycles and bicycles
						+ 35.5	Manufacture of other transport equipment n.e.c.
					DN		Manufacturing n.e.c.
						36	Manufacture of furniture; manufacturing n.e.c.
						36A	36.1 Manufacture of furniture
						36B	36.2 Manufacture of jewellery and related articles
						36C	Manufacture of musical instruments, sports goods, games and toys and other manufacturing Manufacture of musical instruments Manufacture of sports goods Manufacture of games and toys Other manufacturing n.e.c.
						37	37A Recycling
						37	Recycling of metal waste and scrap
						37	Recycling of non-metal waste and scrap
					EE		Electricity, gas and water supply
						40	40A Electricity, gas, steam and hot water supply Production and distribution of electricity Manufacture of gas; distribution of gaseous fuels through mains Steam and hot water supply
						41	41A Collection, purification and distribution of water
3	F	FF	45				Construction
						45A	45.1 Site preparation
						45B	Building of complete constructions or parts thereof; civil engineering General construction of buildings and civil engineering works Erection of roof covering and frames
						45C	45.21 Construction of motorways, roads, airfields and sport facilities, water projects, and other construction work 45.22 Construction of motorways, roads, airfields and sport facilities Construction of water projects Other construction work involving special trades
						45D	45.3 Building installation
						45E	45.4 Building completion and hiring of machinery for the construction industry with operator 45.5 Building completion Hiring of machinery for the construction industry with operator
							Service activities
					4		Wholesale and retail trade; repair of motor vehicles and household goods, hotels and restaurants; transport and communication
							Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
					G	GG	50 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
							50A Sale of motor vehicles, maintenance and repair of motor vehicles and motorcycles; sale of motor vehicle parts and accessories and sale, maintenance and repair of motorcycles and related parts and accessories 50.1 Sale of motor vehicles

A3	A6	A17	A31	A60	SUT	NACE-BEL	Name of industry
						+ 50.2 + 50.3 + 50.4	Maintenance and repair of motor vehicles Sale of motor vehicle parts and accessories Sale, maintenance and repair of motorcycles and related parts and accessories
					50B.1	50.5	Retail sale of automotive fuel
				51	51A	+ 51.1 + 51.2 + 51.3 + 51.4 + 51.5 + 51.6 + 51.7	Wholesale trade and commission trade, except of motor vehicles and motorcycles Wholesale on a fee or contract basis Wholesale of agricultural raw materials and live animals Wholesale of food, beverages and tobacco Wholesale of household goods Wholesale of non-agricultural intermediate products, waste and scrap Wholesale of machinery, accessories and implements Other wholesale
				52	52A	+ 52.1 + 52.2 + 52.3 + 52.4 + 52.5 + 52.6 + 52.7	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods Retail sale in non-specialized stores Retail sale of food, beverages and tobacco in specialized stores Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles Other retail sale of new goods in specialized stores Retail sale of second-hand goods in stores Retail sale, not in stores Repair of personal and household goods
H	HH	55					Hotels and restaurants
					55A	+ 55.1 + 55.2	Hotels, camping sites and other provision of short-stay accommodation Hotels Camping sites and other provision of short-stay accommodation
					55B	+ 55.3 + 55.4 + 55.5	Restaurants, bars, canteens and catering Restaurants Bars Canteens and catering
I	II						Transport, storage and communication
				60			Land transport; transport via pipelines
					60A	60.1	Transport via railways
					60B	+ 60.21 + 60.22 + 60.23	Scheduled passenger land transport, taxi and other land passenger transport Scheduled passenger land transport Taxi operation Other land passenger transport
					60C	+ 60.24 + 60.3	Freight transport by road and transport via pipelines Freight transport by road Transport via pipelines
		61					Water transport
					61A	61.1	Sea and coastal water transport
					61B	61.2	Inland water transport
		62			62A	+ 62.1 + 62.2 + 62.3	Air transport Scheduled air transport Non-scheduled air transport Space transport

A3	A6	A7	A31	A60	SUT	NACE-BEL	Name of industry
				63			Supporting and auxiliary transport activities; activities of travel agencies
					63A	63.3	Activities of travel agencies and tour operators; tourist assistance activities n.e.c.
					63B		Cargo handling and storage, other supporting transport activities, activities of other transport agencies
						63.1 + 63.2 + 63.4	Cargo handling and storage Other supporting transport activities Activities of other transport agencies
					64		Post and telecommunications
						64A	64.1
						64B	64.2
							Telecommunications
							Financial, real estate, renting and business activities
							Financial intermediation
				5	J	JJ	Financial intermediation, except insurance and pension funding
							Monetary intermediation Other financial intermediation
					65	65A	65.1 + 65.2
							Insurance and pension funding, except compulsory social security
					66	66A	66.0
							Activities auxiliary to financial intermediation
					67	67A	67.1 + 67.2
							Activities auxiliary to financial intermediation, except insurance and pension funding Activities auxiliary to insurance and pension funding
					K	KK	Real estate, renting and business activities
							Real estate activities
							Real estate activities with own property
							Letting of own property
							Real estate activities on a fee or contract basis
					71		Renting of machinery and equipment without operator and of personal and household goods
					71A		Renting of automobiles and other transport equipment
							Renting of automobiles Renting of other transport equipment
					71B		Renting of other machinery and equipment and of personal and household goods n.e.c.
							Renting of other machinery and equipment Renting of personal and household goods n.e.c.
					72	72A	Computer and related activities
							Hardware consultancy
							Software consultancy and supply
							Data processing
							Database activities
							Maintenance and repair of office, accounting and computing machinery
					73	73A	Other computer related activities
							Research and development
							Research and experimental development on natural sciences and engineering
					74	74A	Research and experimental development on social sciences and humanities
							Other business activities
							Legal services, accounting, book-keeping and auditing activities; tax consultancy
							Legal services
							Accounting, book-keeping and auditing activities; tax consultancy
							Market research and public opinion polling

A3	A6	A7	A31	A60	SUT	NACE-BEL	Name of industry
					74B		Business and management consultancy activities, management activities of holding companies Business and management consultancy activities Management activities of holding companies
					74C	+	74.14 74.15 Architectural and engineering activities and related technical consultancy, technical testing and analysis Architectural and engineering activities and related technical consultancy Technical testing and analysis
					74D		74.2 Advertising
					74E		74.5 Labour recruitment and provision of personnel
					74F	+	74.6 74.7 74.8 Investigation and security activities, industrial cleaning and miscellaneous business activities n.e.c. Investigation and security activities Industrial cleaning Miscellaneous business activities n.e.c.
6	L	LL	75				Other service activities
							Public administration and defence; compulsory social security
					75A		75 excl. 75.22 & 75.3 Public administration excl. defence and compulsory social security
					75B		75.22 Defence activities
					75C		75.3 Compulsory social security activities
	M	MM	80		80A	+	Education Primary education Secondary education Higher education Adult and other education
							Health and social work
					85A		85.1 Human health activities
					85B		85.2 Veterinary activities
					85C		85.3 Social work activities
	O	OO					Other community, social and personal service activities
				90	90A		90.0 Sewage and refuse disposal, sanitation and similar activities
				91	91A	+	91.1 Activities of membership organizations n.e.c. Activities of business, employers and professional organizations Activities of trade unions Activities of other membership organizations
				92	92A	+	92.1 92.2 Recreational, cultural and sporting activities Motion picture and video activities, radio and television activities Motion picture and video activities Radio and television activities
					92B		92.3 Other entertainment activities
					92C	+	92.4 92.5 News agency activities, library, archives, museums and other cultural activities News agency activities Library, archives, museums and other cultural activities
					92D	+	92.6 92.7 Sporting and other recreational activities Sporting activities Other recreational activities
				93	93A		93.0 Other service activities
				P	95A		95.0 Activities of households as employers of domestic staff

10.5.2. Product classification (SUT)

SUT product	CPA93	CPA96	CPA02				comment	Name of SUT product
01A01	01.11.00							Cereals and other crops
01A02	01.12.00							Vegetables, horticultural specialities and nursery products
01A03	01.13.00							Fruit, nuts, beverage and spice crops
01A04	01.21.10	01.21.30						Bovine cattle, live and bovine semen
01A05	01.21.20							Raw milk from bovine cattle
01A06	01.23.00							Swine, live
01A07	01.24.10							Poultry, live
01A08	01.24.20							Eggs, in shell
01A09	01.22.00	01.25.00						Other live animals and their products
01A10	01.40.00	01.50.00						Services relating to agriculture and stock farming, excluding veterinary services; hunting, trapping, and related services
02A01	02.00.00							Forestry, logging and related services
05A01	05.00.00							Fish and fishing products
10A01	10.00.00							Coal, oil and lignite; peat
11A01	11.10.10	11.10.40	11.20.00					Petroleum oils and oil from bituminous minerals; crude; bituminous or oil shale and tar sands; services incidental to oil and gas extraction, excluding surveying
12A01	12.00.10							Uranium and thorium ores

13A01	13.10.00	13.20.00						Iron ores, non-ferrous metal ores, except uranium and thorium ores
14A01	14.10.00							Stone for construction
14A02	14.20.00							Sand and clay
14A03	14.30.00	14.40.00	14.50.00					Minerals for the chemical and fertiliser industry; salt and other minerals, n.e.c.
15A01	15.11.11	15.11.12						Meat of bovine animals, fresh or chilled and frozen
15A02	15.11.13	15.11.14						Swine, fresh, chilled and frozen
15A03	15.11.15	15.11.16	15.11.17	15.11.18	15.11.19			Meat of sheep fresh, chilled and frozen; goats, horses, asses, mules or hinnies; edible offal
15A04	15.11.20	15.11.30	15.11.40	15.11.90				Other animal products
15A05	15.12.00							Fresh and preserved poultry meat
15A06	15.13.00							Meat and poultry meat products
15B01	15.20.00							Processed and preserved fish and fish products
15C01	15.31.00							Processed and preserved potatoes
15C02	15.32.00							Fruit and vegetable juices
15C03	15.33.00							Processed and preserved vegetables and fruit, n.e.c.
15D01	15.41.00	15.42.00						Crude and refined oils; fats
15D02	15.43.00							Margarine and similar edible fats
15E01	15.51.30							Butter
15E02	15.51.40	15.51.50	15.51.90					Cheese and curds; other dairy products; industrial services for dairy products
15E03	15.51.10	15.51.20						Milk and cream in both liquid and solid form
15E04	15.52.00							Ice cream and other edible ice
15F01	15.61.00							Grain mill products
15F02	15.62.00							Starches and starch products
15G01	15.71.00							Prepared animal feeds
15G02	15.72.00							Prepared pet foods

15H01	15.81.00							Bread, fresh pastry goods and cakes
15H02	15.82.00							Rusks and biscuits, and other preserved pastry goods and cakes
15I01	15.83.00							Sugar
15I02	15.84.21	15.84.22						Chocolate and food preparations containing cocoa
15I03	15.84.23	15.84.24						Sugar confectionary (including white chocolate and without cocoa); fruits, nuts etc. candied with sugar
15I04	15.84.10	15.84.30	15.84.90					Cocoa and cocoa waste; industrial services relating to cocoa, chocolate, sugar confectionary
15J01	15.85.00							Macaroni, noodles, couscous and similar pasta
15J02	15.86.00							Coffee and tea
15J03	15.87.00							Condiments and seasonings
15J04	15.88.00	15.89.00						Homogenised food preparations and dietetic food; other food products n.e.c.
15K01	15.91.00	15.92.00						Distilled alcoholic beverages and ethyl alcohol
15K02	15.96.00							Beer made from malt
15K03	15.97.00							Malt
15K04	15.93.00	15.94.00	15.95.00					Other non-distilled fermented beverages, wine, cider and other fruit wines
15L01	15.98.00							Mineral water and soft drinks
16A01	16.00.00							Tobacco products
16A02	16.00.00?					n.s.		Drugs
17A01	17.10.00							Textile yarns and thread
17A02	17.20.00							Textile fabrics
17A03	17.30.00							Textile finishing services
17B01	17.40.00							Made-up textile articles, except apparel
17B02	17.51.00							Carpets and rugs
17B03	17.52.00	17.53.00	17.54.00					Other textile products. n.e.c.

17B04	17.60.00							Knitted and crocheted fabrics
17B05	17.70.00							Knitted and crocheted articles
18A01	18.10.00	18.30.00						Leather, clothes, articles of fur
18A02	18.21.00							Workwear
18A03	18.22.00	18.23.00	18.24.00					Outerwear, underwear and other wearing apparel and accessories. n.e.c.
19A01	19.10.00							Leather
19A02	19.20.00							Luggage, handbags and the like; saddlery and harness
19A03	19.30.00							Footwear
20A01	20.10.00							Wood, sawn, planed or impregnated
20A02	20.20.00							Veneer sheets, two-ply, three-ply and multiply wood, laminboard, particle board, fibre board and other panels and boards
20A03	20.30.00							Builder's carpentry and joinery, of wood
20A04	20.40.00							Wooden containers
20A05	20.50.00							Other products of wood, articles of cork, straw and plaiting materials
21A01	21.11.00							Pulp
21A02	21.12.00							Paper and paperboard
21A03	21.21.00							Corrugated paper and paperboard and containers of paper and paperboard
21A04	21.22.00							Household and toilet paper and paper products
21A05	21.23.00							Paper stationery
21A06	21.24.00	21.25.00						Wallpaper and others articles of paper and paperboard, n.e.c.
22A01	22.11.00							Books
22A02	22.12.00	22.13.00						Newspapers, journals and periodicals
22A03	22.14.00							Sound recordings
22A04	22.15.00							Postcards, greetings cards, pictures and similar matter

22B01	22.22.10	22.22.20						Printed advertising and other printed matter
22B02	22.21.00							Newspapers printing services
22B03	22.22.30	22.23.00	22.24.00	22.25.00				Bookbinding and pre-press services; ancillary services to printing
22B04	22.30.00							Reproduction services of recorded media
23A01	23.10.00							Coke oven products
23A02	23.20.11	23.20.12	23.20.13					Refined light petroleum products (light crude oil products)
23A03	23.20.14							Kerosene
23A04	23.20.15							Gas oil
23A05	23.20.16	23.20.17	23.20.18	23.20.40				Other medium petroleum oil; medium preparations, n.e.c.; fuel oil. n.e.c.; lubricating oil from petroleum oils; heavy preparations, n.e.c.; spent oil
23A06	23.20.20							Petroleum gases and other gaseous hydrocarbons, except natural gas
23A07	23.20.30	23.20.90						Other petroleum products; industrial services for refined petroleum products
23A08	23.30.00							Nuclear fuel
24A01	24.11.00							Industrial gases
24A02	24.12.00							Dyes and pigments
24A03	24.13.00	24.14.00	24.15.00					Other inorganic and organic basic chemicals; fertilisers and nitrogen compounds
24A04	24.16.00	24.17.00						Plastics in primary forms; synthetic rubber in primary forms
24B01	24.20.00							Pesticides and other agro-chemical products
24C01	24.30.00							Paints, varnishes and similar coatings, printing ink and mastics
24D01	24.41.00							Basic pharmaceutical products
24D02	24.42.10							Medicaments
24D03	24.42.20	24.42.90						Other pharmaceutical products; industrial services for pharmaceutical preparations
24E01	24.51.00							Glycerol, soap and detergents, cleaning and polishing

								preparations
24E02	24.52.00							Perfumes and toilet preparations
24F01	24.61.00							Explosives
24F02	24.62.00							Glues and gelatine
24F03	24.63.00							Essential oils
24F04	24.64.00	24.65.00						Photographic chemical material; prepared unrecorded media
24F05	24.66.00							Other chemical products. n.e.c.
24G01	24.70.00							Man-made fibres
25A01	25.11.00	25.12.00						Tyres
25A02	25.13.00							Other rubber products
25B01	25.21.00							Plastic plates, sheets, tubes and profiles
25B02	25.22.00							Packaging; products of plastic
25B03	25.23.00							Builders' ware of plastic
25B04	25.24.00							Other plastics products
26A01	26.11.00	26.12.00						Flat glass; shaped and processed flat glass
26A02	26.13.11	26.13.92						Glass packaging products; finishing services of glass containers
26A03	26.13.12	26.13.13	26.13.14	26.13.91				Other hollow glass; finishing services of drinking glasses and other glassware of a kind used for table or kitchen purpose
26A04	26.14.00							Glass fibres
26A05	26.15.00							Other glass, processed, including technical glassware
26B01	26.20.00							Non-refractory ceramic goods, other than for construction purposes; refractory ceramic products
26B02	26.30.00							Ceramic tiles and flags
26B03	26.40.00							Bricks, tiles and other construction products, in baked clay
26C01	26.51.00							Cement
26C02	26.52.00	26.53.00						Lime and plaster

26D01	26.61.00	26.62.00						Concrete products for construction purposes; plaster products for construction purposes
26D02	26.63.00	26.64.00						Ready-mixed concrete; mortar
26D03	26.65.00	26.66.00						Articles of fibre cement; other plaster, concrete and cement
26D04	26.70.00							Cut, shaped and finished ornamental and building stone and articles thereof
26D05	26.80.00							Other non-metallic mineral products
27A01	27.10.10	27.10.99						Basic products of Iron and steel; industrial services for basic iron and steel and ferro-alloys
27A02	27.10.20	27.10.30						Ferro-alloys; ingots and other primary forms and semi-finished products
27A03	27.10.40	27.10.50	27.10.60	27.10.70	27.10.80	27.10.91	27.10.92	Stainless steel products; hot rolled flat and long products, wire rods and bars, heavy profiles, sheet pile profiles, railway track components
27A04	27.20.00							Tubes
27B01	27.31.00	27.32.00	27.33.00					Cold drawn, formed or folded products and cold rolled narrow strip
27B02	27.34.00							Wire
27B03								
27B04	27.41.00							Precious metals
27B05	27.42.00	27.43.00	27.44.00	27.45.00				Aluminium, lead, zinc, tin and products thereof, as well as products of copper and other non-ferrous metals
27B06	27.51.00	27.52.00						Casting services of iron and steel
27B07	27.53.00	27.54.00						Casting services of light metals and other non-ferrous metals
28A01	28.10.00							Structural metal products
28A02	28.21.00							Tanks, reservoirs and containers, of metal
28A03	28.22.00							Central heating radiators and boilers
28A04	28.30.00							Steam generators, except central heating hot water boilers
28A05	28.40.00							Forging, pressing, stamping and roll forming services of metal, powder metallurgy

28B01	28.50.00							Treatment and coating services of metal; general mechanical engineering services
28C01	28.60.00							Cutlery, tools and general hardware
28C02	28.71.00	28.72.00						Steel drums and similar containers, light containers of metal
28C03	28.73.00	28.74.00	28.75.00					Wire products, fasteners, screws machine products, chain and springs; other fabricated metal products n.e.c.
29A01	29.11.00	29.14.00						Engines and turbines except aircraft, vehicle and cycle engines; bearings, gears, gearing and driving elements
29A02	29.12.00	29.13.00						Pumps, compressors, taps and valves
29B01	29.21.00	29.24.00						Furnaces and furnace burners and other general purpose machinery
29B02	29.22.00							Lifting and handling equipment
29B03	29.23.00							Non-domestic cooling and ventilation equipment
29C01	29.30.00							Agricultural or forestry machinery
29C02	29.40.00							Machine tools
29C03	29.51.00							Machinery for metallurgy
29C04	29.52.00							Machinery for mining, quarrying and construction
29C05	29.53.00							Machinery for food, beverage and tobacco processing
29C06	29.54.00							Machinery for textile, apparel and leather production
29C07	29.55.00	29.56.00						Machinery for paper and paperboard production and other special purpose machinery, n.e.c.
29C08	29.60.00							Weapons and ammunition
29D01	29.70.00							Domestic appliances n.e.c.
30A01	30.01.00							Office machinery and parts thereof
30A02	30.02.00							Computers and other information processing equipment
31A01	31.10.00							Electric motors, electric generators and transformers
31A02	31.20.00	31.30.00						Electric distribution and control apparatus; insulated wire and cable

31B01	31.40.00							Accumulators, primary cells and primary batteries
31B02	31.50.00							Lighting equipment and electric lamps
31B03	31.60.00							Electrical equipment. n.e.c.
32A01	32.10.00							Electronic valves and tubes and other electronic components
32A02	32.20.00							Television and radio transmitters; apparatus for line telephony and telegraphy
32A03	32.30.00							Television and radio receivers, sound and video recording or reproducing apparatus and associated goods
33A01	33.10.00							Medical and surgical equipment and orthopaedic appliances
33A02	33.20.00	33.30.00						Instruments and appliances for measuring, checking, testing, navigating and other purposes; Industrial process control equipment
33A03	33.40.00							Optical instruments and photographic equipment
33A04	33.50.00							Watches and clocks
34A01	34.10.10							Internal combustion engines of a kind used for motor vehicles and motorcycles
34A02	34.10.21	34.10.22	34.10.23	34.10.24				Motors cars
34A03	34.10.25							Motors cars, used
34A04	34.10.30							Motor vehicles for the transport of ten or more passengers
34A05	34.10.40	34.10.50						Motor vehiclesfor the transport of goods and special purposes motor vehicles
34B01	34.20.00							Bodies for motor vehicles, trailers and semi-trailers
34B02	34.30.00	34.10.90						Parts and accessories for motor vehicles and their engines; Installation services of sub-assemblies and complete construction-kits for motor vehicles within the manufacturing process
35A01	35.10.00							Ships and boats
35A02	35.20.00							Railway and tramway locomotives and rolling-stock
35A03	35.30.00							Aircraft and spacecraft
35B01	35.40.00	35.50.00						Motorcycles and bicycles; other transport equipment. n.e.c.

36A01	36.11.00	36.12.00	36.13.00	36.14.00				Furniture
36A02	36.15.00							Mattresses
36B01	36.22.12							Industrial diamonds work, cut; powder and dust, of natural or synthetic precious or semi-precious stones
36B02	36.21.00	36.22.11	36.22.13	36.22.14	36.22.20			Coins and medals; goldsmith's, silversmith's; other jewellery and similar articles, n.e.c.
36C01	36.30.00							Musical instruments
36C02	36.40.00							Sports goods
36C03	36.50.00	36.60.00						Games and toys; miscellaneous manufactured goods n.e.c.
37A01	37.10.00							Metal secondary raw materials; Shipbreaking services
37A02	37.20.00							Non-metal secondary raw materials
40A01	40.10.00							Production and distribution services of electricity
40A02	40.20.00	11.10.20	11.10.30					Gas and distribution of gaseous fuels through mains
40A03	40.30.00							Steam and hot water supply services
41A01	41.00.00							Collected and purified water, distribution of water
45A01	45.10.00							Demolition and wrecking of buildings; earthmoving work; test drilling and boring work
45B01	45.21.11	45.21.12	45.21.71					General construction work: single and two dwellings buildings, for multi-dwellings buildings; Assembly and erection of prefabricated residential buildings
45B02	45.21.13	45.21.14	45.21.15	45.21.72				General construction work: other buildings
45B03	45.21.20							General construction work for bridges, viaducts, elevated highways, tunnels and subway
45B04	45.21.30	45.21.40	45.21.50	45.21.60	45.21.73			General construction work for long-distance pipelines, communication and power lines (cables); for local pipelines and cables; ancillary works; for power plants, mining and manufacturing; General construction work of other structures and for engineering works n.e.c.
45B05	45.22.00							Erection work of roof covering and frames

45C01	45.23.10	45.23.20						General construction work for motorways, roads, railways and airfield runways; Flatwork for sport and recreation installations
45C02	45.24.00							Cconstruction of water projects
45C03	45.25.00							Other construction work involving special trade
45D01	45.31.00							Installation of electrical wiring and fittings
45D02	45.32.00							Insulation work activities
45D03	45.33.00							Plumbing
45D04	45.34.00							Other building installation
45E01	45.41.00							Plastering
45E02	45.42.00							Joinery installation
45E03	45.43.00							Floor and wall covering
45E04	45.44.10							Glazing
45E05	45.44.20							Painting
45E06	45.45.00	45.50.00						Other building completion; renting of construction and demolition equipment with operator
50A01	50.20.00	50.40.40						Maintenance and repair of motor vehicles and motorcycles
51A01	51.10.00	50.10.30	50.30.30	50.40.30				Wholesale on a fee; sales of motor vehicles, motorcycles, including parts and accessories
52A01	52.70.00							Repair of personal and household goods
55A01	55.10.00							Hotels
55A02	55.20.00							Camping sites and other provision of short-stay accommodation
55B01	55.30.00							Restaurants
55B02	55.40.00							Bars
55B03	55.50.00							Canteens and catering
60A01	60.10.10							Passenger transport via railways

60A02	60.10.21	60.10.22	60.10.23	60.10.24	60.10.26	60.10.27	60.10.30		Freight transport by railways(except carriage of mail), pushing or towing by railways
60A03	60.10.25								Carriage of mail by railway
60B01	60.21.00								Other scheduled passenger land transportation services, <i>marketable</i>
60B02	60.22.00								Taxis and leasing of cars with driver
60B03	60.23.00								Other land passenger transportation services
60B04	60.21.00								Other scheduled land transportation services, <i>non-marketable</i>
60C01	60.24.10	60.24.20	-	-	-	-	-	-	Freight transport by road (including mail and furniture removals)
60C02	60.24.30								Renting of trucks with driver
60C03	60.30.00								Transport via pipelines
61A01	61.10.10								Passenger transport by sea and coastal waters
61A02	61.10.20	61.10.30							Freight transport by sea and coastal waters (including mail), renting of ships and boats with crew; towing and pushing on sea
61B01	61.20.10								Passenger transport by ships via inland waterways
61B02	61.20.20	61.20.30							Freight transportation services by vessels on inland waterways; Rental services of non-sea-going vessels with crew; towing and pushing services
62A01	62.10.10	62.20.10	62.20.30						Transport of passenger by air; renting of aircraft with crew
62A02	62.10.20	62.20.20	62.30.00						Transport of freight by air (including mail); space transport
63A01	63.30.00								Activities of travel agencies and tour operators, tourist assistance activities, n.e.c.
63B01	63.11.00								Cargo handling
63B02	63.12.00								Storage warehousing
63B03	63.21.00								Other supporting land transport activities, <i>marketable</i>
63B04	63.22.00								Other supporting water transport activities, <i>marketable</i>
63B05	63.23.00								Other supporting air transport activities
63B06	63.40.00								Activities of other travel agencies

63B07	63.21.00							Other supporting land transport activities, <i>non-marketable</i>
63B08	63.22.00							Other supporting water transport activities, <i>non-marketable</i>
64A01	64.11.00							National post services
64A02	64.12.00							Couriers activities, other than national post services
64B01	64.20.00							Telecommunications
65A01	65.11.00	65.12.00					p	Monetary intermediaiton
65A02	65.21.00	65.22.00	65.23.00				p	Financial intermediation
65A03	65.00.00						65.00 p	FISIM
66A01	66.01.11							Life insurance services
66A02	66.02.11							Pension funding
66A03	66.03.00	66.01.12	66.02.12					Non-life insurance services
67A01	67.10.00							Services auxiliary to financial intermediation, except to insurance and pension funding
67A02	67.20.00							Services auxiliary to insurance and pension funding
70A01	70.10.00							Real estate activities with own property
70A02	70.20.11						p	Letting of own property, owners
70A03	70.20.11						p	Letting of own property, lessees
70A04	70.20.12							Renting or leasing services involving own non-residential property
70A05	70.30.00							Real estate services on a fee or contract basis
71A01	71.10.00	71.20.00						Renting of automobiles and other transport equipment
71B01	71.30.00	71.40.00						Renting of other machinery and equipment; renting of personal and household goods
72A01	72.10.00	72.20.00	72.30.00	72.40.00				Hardware consultancy, software consultancy and supply, data processing and databases activities
72A02	72.50.00	72.60.00						Maintenance and repair of accounting and computing machinery
73A01	73.00.00						p	Research and development, <i>marketable</i>

73A02	73.00.00						p	Research and development, <i>non-marketable</i>
74A01	74.11.00							Legal activities
74A02	74.12.00							Accounting, book keeping and auditing activities; tax consultancy
74A03	74.13.00							Market research and public opinion polling
74B01	74.14.00	74.15.00						Business and management consultancy activities
74C01	74.20.00	74.30.00						Architectural and engineering activities and related technical consultancy, technical testing and analysis
74D01	74.40.00							Advertising
74E01	74.50.00							Labour recruitment and provision of personnel services
74F01	74.60.00							Investigation and security activities
74F02	74.70.00							Industrial cleaning
74F03	74.81.00							Photographic activities
74F04	74.82.00	74.85.00	74.86.00	74.87.00				Packaging, secretarial and translation, call centre activities, other business activities n.e.c.
75A01	75.10.00	75.21.00	75.23.00	75.24.00	75.25.00			Public administration, except for defence and compulsory social security
75B01	75.22.00							Defence activities
75C01	75.30.00							Compulsory social security activities
80A01	80.41.00							Driving schools activities, flying and navigation instruction
80A02	80.42.00					p		Adult education and other education n.e.c., <i>marketable</i>
80A03	80.42.00					p		Adult education and other education n.e.c., <i>non-marketable</i>
80A04	80.10.00	80.20.00	80.30.00					Public education
85A01	85.11.00							Hospitals activities
85A02	85.12.00							Medical practices activities
85A03	85.13.00							Dental practices activities
85A04	85.14.00							Other human health activities
85B01	85.20.00							Veterinary services

85C01	85.30.00						p	Social work activities. <i>marketable</i>
85C02	85.30.00						p	Social work activities, <i>non-marketable</i>
90A01	90.00.00							Sewage and refuse disposal services, sanitation and similar services, <i>marketable</i>
90A02	90.00.00							Sewage and refuse disposal services, sanitation and similar services, <i>non-marketable</i>
91A01	91.11.00	91.12.00	91.30.00				91.12 p; 91.30 p	Activities of business, employers and professional organisations, <i>marketable</i>
91A02	91.12.00	91.20.00	91.30.00				91.12 p; 91.30 p	Activities of n.e.c. organisations, <i>non-marketable</i>
92A01	92.10.00							Motion picture and video services
92A02	92.20.00							Radio and television activities, <i>marketable</i>
92A03	92.20.00							Radio and television activities, <i>non-marketable</i>
92B01	92.30.00						p	Other entertainment activities, <i>marketable</i>
92B02	92.30.00						p	Other entertainment activities, <i>non-marketable</i>
92C01	92.50.00						p	Library, archives, museums and other cultural services, <i>marketable</i>
92C02	92.50.00						p	Library, archives, museums and other cultural services, <i>non-marketable</i>
92C03	92.40.00							Press agencies activities
92D01	92.60.00	92.70.00					p	Sporting activities, <i>marketable</i>
92D02	92.60.00	92.70.00					p	Sporting activities , <i>non-marketable</i>
93A01	93.01.00							Washing and dry cleaning services
93A02	93.02.00							Hairdressing and other beauty treatment services
93A03	93.03.00							Funeral and related services
93A04	93.04.00	93.05.00					93.04 p	Other services n.e.c.
93A05	93.04.00?						93.04 p	Prostitution

95A01	95.00.00							Activities of households as employers of domestic staff
97MGR							n.s.	Wholesale margins
97MDR							n.s.	Retail trade margins
97MTR							n.s.	Transport margins

n.s. not significant

(p) partial

10.5.3. Balance of payments headings

code	services
100	sea transport, passengers
101	sea transport, goods
102	services belonging and related to sea transport
110	air transport, passengers
111	air transport, goods
112	services belonging and related to air transport
120	other means of transport, passengers
121	other means of transport, goods
122	services belonging and related to other means of transport
130	monetary financial institutions
131	other financial services
142	postal services
143	courier services
144	telecommunications
156	construction, repair and maintenance of buildings, roads, bridges, ports
162	services and maintenance relating to computing
163	services relating to reporting
170	services relating to trade
180	general insurance
181	life insurance
182	goods insurance
183	reinsurance
184	related services (commission charges, consultancy fees and valuation expenses)
190	costs of research and development (R&D)
191	legal services, accountancy and audit services, tax and management consultancy, public relations
192	management and operating costs of parent companies, subsidiaries and branches
193	services relating to architecture, engineering and other technical services
194	publicity, market research and opinion polls
195	services relating to agriculture and mining
196	costs for waste processing and treatment; costs for manufacture, maintenance and processing of all goods on site (except for those under codes 094, 156, 162)
199	other services
200	expenditure on travel, tourism and accommodation on a private basis
201	travel expenditure and expenditure for accommodation on a private basis for health reasons
202	travel expenditure and expenditure for accommodation on a private basis for study purposes
203	travel expenditure for professional purposes
204	credit cards – travellers' cheques
220	royalties and licence fees
231	audiovisual and related services
239	other personal services and other services relating to culture and leisure
240	national diplomatic representations
242	international institutions
243	military expenditure
244	NATO, SHAPE
245	foreign diplomatic representations
246	operating and other costs of non-diplomatic representations
247	institutions of the European Union
248	international institutions on national territory, other than 244 and 247
270	operational leasing and renting

primary incomes	
EEG210	net wages and salaries paid by the EU to resident workers
EEG393	social security contributions paid by the EU to resident workers

10.5.4. ESA 1995 classifications

10.5.4.1. Classification of institutional sectors (S)

Code	Description
S.1	Total economy
S.11	Non-financial corporations
S.11001	Public non-financial corporations
S.11002	National private non-financial corporations
S.11003	Foreign controlled non-financial corporations
S.12	Financial corporations
S.121	Central bank
S.122	Other monetary financial institutions
S.12201	Public
S.12202	National private
S.12203	Foreign controlled
S.123	Other financial intermediaries except insurance corporations and pension funds
S.12301	Public
S.12302	National private
S.12303	Foreign controlled
S.124	Financial auxiliaries
S.12401	Public
S.12402	National private
S.12403	Foreign controlled
S.125	Insurance corporations and pension funds
S.12501	Public
S.12502	National private
S.12503	Foreign controlled
S.13	General government
S.1311	Central government
S.1312	State government
S.1313	Local government
S.1314	Social security funds
S.14	Households
S.141 + S.142	Employers (including own-account workers)
S.143	Employees
S.1441	Recipients of property income
S.1442	Recipients of pensions
S.1443	Recipients of other transfer incomes
S.145	Other households
S.15	Non-profit institutions serving households (NPISH)
S.2	Rest of the world (ROW)
S.21	European Union (EU)
S.211	Member States of the EU
S.212	Institutions of the EU
S.22	Third countries and international organisations

10.5.4.2. Classification of transactions and other flows

10.5.4.2.1. Classification of balancing items¹⁴⁴ (B)

Code	Description
B.1	Value added / B.1* Domestic product
B.2	Operating surplus
B.3	Mixed income
B.4	Entrepreneurial income
B.5	Balance primary incomes / B.5* National income
B.6	Disposable income
B.7	Adjusted disposable income
B.8	Saving
B.9	Net lending (+) or net borrowing (-)
B.10	Changes in net worth
B.10.1	Changes in net worth due to saving and capital transfers
B.10.2	Changes in net worth due to other changes in volume of assets
B.10.3	Changes in net worth due to nominal holding gains/losses
B.10.31	Changes in net worth due to neutral holding gains/losses
B.10.32	Changes in net worth due to real holding gains/losses
B.11	External balance of goods and services
B.12	Current external balance
B.90	Net worth
BF.90	Net financial assets

¹⁴⁴ All gross or net balancing items (with or without consumption of fixed capital) are measured. The letter g is added to the code for a gross balancing item and the letter n to that for a net balancing item.

10.5.4.2.2. Transactions in products (goods and services) (P)

Code	Description
P.1	Output
P.11	Market output
P.119	Financial intermediation services indirectly measured (FISIM)
P.12	Output for own final use
P.13	Other non-market output
P.131	Payments for other non-market output
P.132	Other non-market output, other
P.2	Intermediate consumption
P.3	Final consumption expenditure
P.31	Individual consumption expenditure
P.32	Collective consumption expenditure
P.4	Actual final consumption
P.41	Actual individual consumption
P.42	Actual collective consumption
P.5	Gross capital formation
P.51	Gross fixed capital formation
P.511	Acquisitions less disposals of tangible fixed assets
P.5111	Acquisitions of new tangible fixed assets
P.5112	Acquisitions of existing tangible fixed assets
P.5113	Disposals of existing tangible fixed assets
P.512	Acquisitions less disposals of intangible fixed assets
P.5121	Acquisitions of new intangible fixed assets
P.5122	Acquisitions of existing intangible fixed assets
P.5123	Disposals of existing intangible fixed assets
P.513	Additions to the value of non-produced non-financial assets
P.5131	Major improvements to non-produced non-financial assets
P.5132	Costs of ownership transfer on non-produced non-financial assets
P.52	Changes in inventories
P.53	Acquisitions less disposals of valuables
P.6	Exports of goods and services
P.61	Exports of goods
P.62	Exports of services
P.7	Imports of goods and services
P.71	Imports of goods
P.72	Imports of services

10.5.4.2.3. Distributive transactions (D)

Code	Description
D.1	Compensation of employees
D.11	Wages and salaries
D.12	Employers' social contributions
D.121	Employers' actual social contributions
D.122	Employers' imputed social contributions
D.2	Taxes on production and imports
D.21	Taxes on products
D.211	Value-added-type taxes (VAT)
D.212	Taxes and duties on imports (excluding VAT)
D.2121	Import duties
D.2122	Taxes on imports excluding VAT and import duties
D.214	Taxes on products excluding VAT and import duties
D.29	Other taxes on production
D.3	Subsidies
D.31	Subsidies on products
D.311	Import subsidies
D.319	Other subsidies on products
D.39	Other subsidies on production
D.4	Property income
D.41	Interest
D.42	Distributed income of corporations
D.421	Dividends
D.422	Withdrawals from income of quasi-corporations
D.43	Reinvested earnings on direct foreign investment
D.44	Property income attributed to insurance policy holders
D.45	Rents
D.5	Current taxes on income, wealth, etc.
D.51	Taxes on income
D.59	Other current taxes
D.6	Social contributions and benefits
D.61	Social contributions
D.611	Actual social contributions
D.6111	Employers' actual social contributions
D.61111	Compulsory employers' actual social contributions
D.61112	Voluntary employers' actual social contributions
D.6112	Employees' social contributions
D.61121	Compulsory employees' social contributions
D.61122	Voluntary employees' social contributions
D.6113	Social contributions by self- and non-employed persons
D.61131	Compulsory social contributions by self- and non-employed persons
D.61132	Voluntary social contributions by self- and non-employed persons
D.612	Imputed social contributions
D.62	Social benefits (other than social transfers in kind)
D.621	Social security benefits in cash
D.622	Private-funded social benefits
D.623	Unfunded employee social benefits
D.624	Social assistance benefits in cash
D.63	Social transfers in kind
D.631	Social benefits in kind
D.6311	Social security benefits, reimbursements
D.6312	Other social security benefits in kind
D.63121	Other social security benefits in kind, provided by market producers
D.63122	Other social security benefits in kind, provided by non-market producers
D.6313	Social security benefits in kind
D.63131	Social security benefits in kind, provided by market producers
D.63132	Social security benefits in kind provided by non-market producers
D.632	Transfers of individual non-market goods and services
D.7	Other current transfers

D.71	Net non-life insurance premiums
D.72	Non-life insurance claims
D.73	Current transfers within general government
D.74	Current international cooperation
D.75	Miscellaneous current transfers
D.8	Adjustment for the change in net equity of households in pension funds reserves
D.9	Capital transfers
D.91	Capital taxes
D.92	Investment grants
D.99	Other capital transfers

10.5.4.2.4. Other transactions and other flows (K)

Code	Description
K.1	Consumption of fixed capital
K.2	Acquisitions less disposals of non-produced non-financial assets
K.21	Acquisitions less disposals of land and other tangible non-produced assets
K.211	Acquisitions of land and other tangible non-produced assets
K.212	Disposals of land and other tangible non-produced assets
K.22	Acquisitions less disposals of intangible non-produced assets
K.221	Acquisitions of intangible non-produced assets
K.222	Disposals of intangible non-produced assets
K.3	Economic appearance of non-produced assets
K.4	Economic appearance of produced assets
K.5	Natural growth of non cultivated biological resources
K.6	Economic disappearance of non-produced assets
K.61	Depletion of natural economic assets
K.62	Other economic disappearance of non-produced assets
K.7	Catastrophic losses
K.8	Uncompensated seizures
K.9	Other volume changes in non-financial assets n.e.c.
K.10	Other volume changes in financial assets and liabilities n.e.c.
K.11	Nominal holding gains/losses
K.11.1	Neutral holding gains/losses
K.11.2	Real holding gains/losses
K.12	Changes in classifications and structure
K.12.1	Changes in sector classification and structure
K.12.2	Changes in classification of assets and liabilities
K.12.21	Monetisation/demonetisation of gold
K.12.22	Changes in classification of assets and liabilities other than monetisation/demonetisation of gold

11. MAIN SOURCES OF DATA

11.1. THE OUTPUT PERSPECTIVE

11.1.1. The repertory

11.1.1.1. Identification

Name of source:	Repertory of economically active units
Supervisory body:	National Bank of Belgium
Purpose of data collection:	Identification and classification of economically active units in Belgium

11.1.1.2. Basic characteristics of source

11.1.1.2.1. Definition

The national accounts repertory of production units covers all the enterprises in the DBRIS register of statistical information providers compiled by the DGSEI. It is a consistent and exhaustive basis for compiling the national accounts.

The directory currently contains two types of unit: legal units and enterprises.

"Legal unit" within the meaning of section II - A.3 of the Annex to Regulation (EEC) No 696/93:

Legal units comprise:

- *legal persons whose existence is recognized by law independently of the individuals or institutions which own or are members of them,*
- *natural persons who engage in an economic activity in their own right.*

A legal unit always constitutes, either by itself or sometimes in combination with other legal units, the legal basis for the statistical unit known as the "enterprise".

"Enterprise" within the meaning of section III - of the Annex to the above-mentioned Regulation:

"An enterprise is the smallest combination of legal units that constitutes an organizational unit for production of goods or services, with a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise engages in one or more activities at one or more locations. An enterprise may be a single legal unit."

A legal unit, unlike an enterprise, is not a production unit for national accounts purposes.

Legal units appear in DBRIS if they are recorded in one of the administrative source files.

The legal units in DBRIS comprise:

- legal persons appearing in the National Register of Legal Persons (NRLP)
- units which are subject to VAT
- NSSO employers
- employers registered with the NSSOPLA.

A newly created legal entity or new legal person subject to VAT is regarded as an enterprise. NSSO/NSSOPLA units are enterprises only if they are not in the file of legal and other persons subject to VAT.

Most enterprises are a single legal unit, an NSSO/NSSOPLA employer and/or subject to VAT. However, an enterprise may be attached to one or more legal units.

11.1.1.2.2. Role of repertory in calculation of national accounts

The primary role of the repertory is to ensure **exhaustiveness** and **consistency** of results. It contains all production units except self-employed persons not subject to VAT and without personnel. All individual data on production units are aggregated according to the **unique characteristics** of the repertory, thereby ensuring consistency of results. The directory is therefore used on a systematic basis for calculating national accounts aggregates.

11.1.1.2.3. Creation of repertory

The national accounts repertory is based on the DBRIS register of enterprises and is renewed annually. On the basis of DBRIS data (characteristics of legal units and links between each legal unit and an enterprise), the repertory is created by attributing to each enterprise a number of unique characteristics and unique links with one or more of its legal units.

The DBRIS register preserves the history of previous characteristics and links between each legal unit and the enterprise supported by it. The repertory does not preserve the historical record but shows only the most recent status of the characteristics and links, to avoid any risk of double counting.

11.1.1.3. What variables are we trying to measure?

The repertory distinguishes two types of data:

11.1.1.3.1. Enterprise identifiers and the link between them

The various identifiers of an enterprise are as follows:

- Enterprise number: unique identifier assigned by the DGSEI
- VAT number or national number: identifier used for legal and other persons subject to VAT.
(The NRLP identifier for legal persons is also used by the VAT authorities)
- NSSO number: identifier used by the NSSO for NSSO employers
- NSSOPLA number: identifier used by the NSSOPLA for NSSOPLA employers.

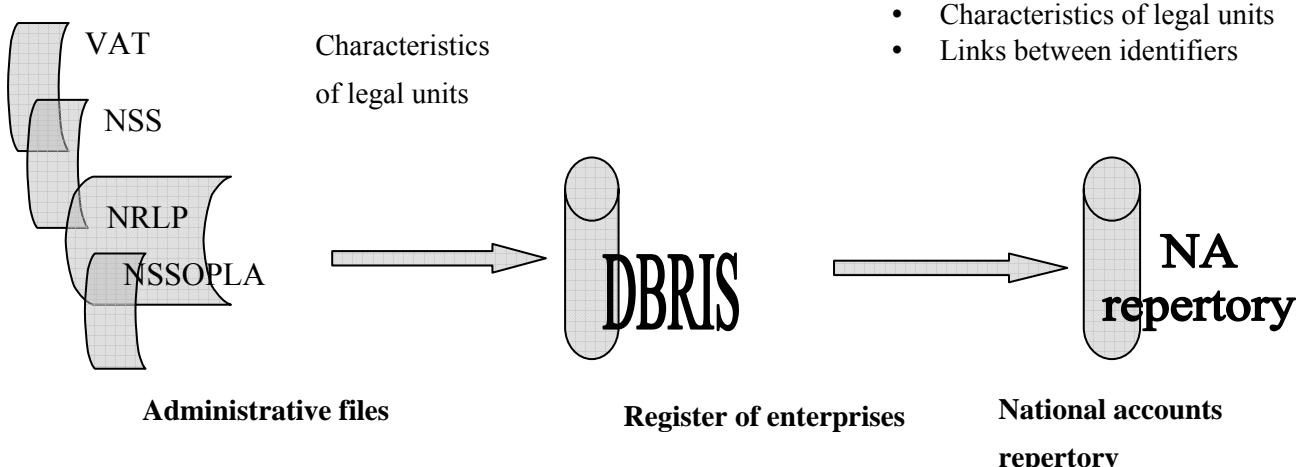
11.1.1.3.2. Characteristics of enterprises

Each year, the following set of characteristics is defined for each enterprise:

- Activity code (NACE-BEL code), indicating the branch of activity to which the enterprise belongs
- Sector code, indicating the institutional sector to which the enterprise belongs
- Category of enterprise, indicating which basic data are preferred for calculation purposes
- Size class, defined by number of employees
- Annual turnover
- Municipal code, the first two digits being the district (*arrondissement*) code
- Legal form of a legal unit subject to VAT
- Quality code, indicating whether the enterprise's annual accounts are usable for national accounts purposes
- 'Uni/multi-arrondissement' code, indicating whether all of the enterprise's local units are situated in one or several districts.
- 'Uni/multi-legal units' code, indicating whether the enterprise is attached to one or several legal units.

The four most important characteristics are the NACE-BEL code, the sector code, the category and the district code. All aggregations of administrative data are done using the combination of NACE-BEL, sector, category and district at the most detailed level.

11.1.1.4. Diagram



11.1.2. Standardised minimum statutory accounts system

11.1.2.1. Identification

Name of source:	Standardised minimum accounts system
Supervisory body:	Accounting Standards Commission
Purpose of data collection:	To structure and organise statutory compulsory accounting records (RD of 7.03.1978, superseded by RD of 12.09.1983)

11.1.2.2. Basic characteristics of source

The standardised minimum system of accounts does not collect data but metadata. It is laid down by the Accounting Standards Commission. The purpose is to structure and organise statutory compulsory accounting records. The existence of a standardised minimum system of accounts permits detailed aggregates to be calculated for very different businesses, without thereby threatening the reliability or interpretation of the figures.

At the highest level all the accounts are broken down into 10 classes indicated with a single digit. The great majority of the data from the annual accounts which are used in the calculation of the national accounts belong to class 6 (input) or 7 (output). These two classes together form the profit and loss accounts of an enterprise. Other items that are taken over from the annual accounts describe the state of the tangible and intangible assets.

Annex:

Rekeningstelsel.pdf (System of accounts.pdf)

11.1.3. The annual accounts

11.1.3.1. Identification

Name of source:	the annual accounts
Supervisory body:	Central Balance Sheets Office (National Bank of Belgium)
Purpose of data collection:	compulsory publication under Royal Decree of 8.10.1976 in execution of the Accounting Act.

11.1.3.2. Basic characteristics of source

Reporting units

Most enterprises for which the responsibility of the shareholders or partners is limited to their contribution to the corporation, as well as some other corporations must each year file their annual accounts and/or their consolidated annual accounts with the Central Balance Sheet Office of the National Bank of Belgium.

Annual accounts of companies with a turnover of more than EUR 500 000 on an annual basis must comply with the statutory minimum standardised system of accounts that was laid down in 1983 by Royal Decree (cf. 11.1.2).

A distinction is always made between full accounts (large corporations) and abridged accounts (small and medium-sized corporations). A corporation is regarded as large by the Accounting Act if:

- its average workforce on an annual basis is more than 100 or
- it exceeds more than one of the following thresholds:
 - annual average of the workforce: 50
 - annual turnover (excluding VAT): EUR 3 650 000
 - balance sheet total: EUR 7 300 000

For the financial year 2003 17 818 corporations filed a full accounting schedule and 248 978 corporations an abridged accounting schedule, which brings the total number of annual accounting schedules filed to 266 796.

Frequency	1 x/year
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11.1.3.3. What variables are we trying to measure?

Set out below is an overview of the sections of the annual accounts that are used within the framework of the national accounts as well as the specific variables that serve as a basis for the calculations. Only the headings used to estimate the production account and the primary generation of income account and the gross capital formation are indicated.

FULL ACCOUNTING SCHEDULES

Name of corporation (full schedule1)

- Name of firm
- Legal form
- Address
- National or VAT number

Profit and loss account (full schedules 4&5)

- 70: Turnover
- 71: Change in inventories of partly finished and finished goods and in work-in-progress
- 72: Produced fixed assets
- 74: Other operating income
- 600/8: Purchases
- 609: Changes in inventories
- 61: Services and various goods
- 62: Wages and salaries, social security contributions and pensions
- 640/8: Other operating costs

Processing of results

- 695: Profit distributable to directors and managers

Statement of intangible fixed assets (note 3.II; full schedule 7)

- 802: Acquisitions, including the produced fixed assets
 - 8021: Costs of research and development
 - 8022: Concessions, patents, licences etc.
 - 8023: Goodwill
 - 8024: Payments on account
- 807: Depreciation recorded

Statement of tangible fixed assets (note 3.III; full schedule 8)

- 816: Acquisitions, including the produced fixed assets
 - 8161: Land and buildings

- 8162: Plant, machinery and equipment
- 8163: Furniture and rolling stock
- 8164: Leasing and similar rights
- 8165: Other tangible fixed assets
- 8166: Assets under construction and payments on account
- 817: Transfers and decommissioning
- 827: Depreciation recorded

Operating results (note 3.XII; full schedule 15)

- 640: Taxes and similar levies on business operation
- 740: Operating subsidies and compensatory amounts received from the general government
- 641/8: Other operating costs
- 617: Costs relating to temporary staff and people made available to the corporation 641/8:
Other

Financial results (note 3.XIII; full schedule 16)

- 9126: Interest subsidies
- 6503: Capitalised interest

ABRIDGED ACCOUNTING SCHEDULES

Name of corporation (abridged schedule 1)

- Name
- Legal form
- Address
- National or VAT number

Profit and loss account (abridged schedule 4)

- 70/61 Gross margin (>0)
- 61/70 Gross margin (<0)
- 70 Turnover
- 60/61 Goods for resale; raw materials and supplies; services and various goods
- 62 Wages and salaries, social security contributions and pensions
- 640/8 Other operating costs

Processing of results

- 695: Profit distributable to directors and managers

Statement of fixed assets (abridged schedule 6)

- 8029/8169: Acquisitions of intangible/tangible fixed assets
- 8039/8179: Transfers and decommissioning of intangible/tangible fixed assets
- 8079/8279: Depreciation recorded on intangible/tangible fixed assets

Financial results (note 3.XIII; vol. 16)

- 9126: Interest subsidies
- 6503: Capitalised interest

11.1.3.4. Adjustments

Production of pro rata administrative data

Because not all corporations close their financial year on 31/12/N and the financial year does not always cover 12 months (may be more or less) in addition to the original financial year data pro rata data are also calculated. The latter are used to produce the administrative aggregates (turnover, acquisitions etc.)

Example 1: an enterprise is set up in June N-1 and closes its first annual accounts in December N. All flows from the profit and loss account are recalculated for 12 months (pro rata turnover = turnover of financial year *12/18). In this way one gets figures that are more in line with calendar year data for N.

Example 2: an enterprise closes its annual accounts on 31/03/N and 31/03/N+1. The pro rata flows for calendar year N are obtained by totalling 1/4 of the amounts for financial year N with 3/4 of the amounts for financial year N+1.

Annual accounts that close in September, October and November of year N and cover 12 months are not determined pro rata because this is in practice not possible in most cases (the accounts of the following financial year are not yet available if one starts with the calculations in Q1N+2). In these cases a limited offset between financial year and calendar year is tolerated.

Conversion of administrative aggregates into ESR95 aggregates

Please refer for this to 3.3

Annex:

JR_volledig.pdf (AR_full.pdf)

JR_verkort.pdf (AR_abridged.pdf)

11.1.4. Social balance sheet (specific annex to annual accounts)

11.1.4.1. Identification

Name of source:	Social balance sheet
Supervisory body:	Central Balance Sheet Office (National Bank of Belgium)
Purpose of data collection:	Compulsory publication under Royal Decree of 30 January 2001 implementing the Companies Code.

11.1.4.2. Basic characteristics of source

Reporting units

The social balance sheet contains specific information on employment within the enterprise. The following have to file a social balance sheet:

A. Enterprises required to publish a social balance sheet as part of their annual accounts.

The annual accounts of Belgium enterprises required to publish them include a section entitled "social balance sheet".

The following are regarded as "large" enterprises for Companies Code purposes:

- those with an annual average workforce of more than 180 persons
- those which exceed more than one of the following criteria:
 - annual average workforce 50
 - annual turnover (excluding VAT) 7 300 000 euros
 - balance sheet total 3 650 000 euros

Large enterprises have to file the full schedule.

Small enterprises may file the abridged schedule.

B. Enterprises not required to publish annual accounts.

Not all enterprises are required to publish annual accounts and some are not even obliged to compile them but the types of enterprise listed below have to compile a social balance sheet and file it with the CBSO within 7 months of the close of their financial year:

b.1 the following Belgian enterprises:

- hospitals that are neither limited liability companies nor large or very large NPAs (at the date of filing their annual accounts)
- other private corporate bodies not obliged to file their annual accounts that have at least 20 persons entered in their staff register.

b.2 foreign enterprises with a subsidiary in Belgium. Their social balance sheet covers employment throughout their Belgian establishments.

The schedule to be filed depends on the type of enterprise:

- hospitals and foreign enterprises have to file the full schedule if they are deemed "large" , otherwise they may file the abridged schedule. The size criteria for foreign enterprises are only applicable on the basis of figures covering all their subsidiaries in Belgium.
- private corporate bodies not obliged to file their annual accounts
 - employing an average of at least 50 persons file the full schedule
 - employing an average of 20 to 49 persons file the abridged schedule.

Frequency: Annual

11.1.4.3. What variables are we trying to measure?

FULL SCHEDULE

Statement of persons employed

- 1023: Bookyear's total personnel expenses
- 1033: Bookyear's total amount of benefits over and above wages

ABRIDGED SCHEDULE

Statement of persons employed

- 1023: Bookyear's total personnel expenses
- 1033: Bookyear's total amount of benefits over and above wages

11.1.5. Accounting schedule of credit institutions

11.1.5.1. Identification

Name of source:	Periodic information schedule filed by credit institutions regarding their financial situation (Schedule A) ¹⁴⁵ ;
Supervisory body:	Banking, Finance and Insurance Commission (BFIC) and National Bank of Belgium (NBB);
Purpose:	Prudential supervision of credit institutions by the BFIC and of monetary and banking statistical institutions by the NBB (under Banking and Finance Commission (BFC) order of 28 April 1992, as amended by those of 7 July 1992, 13 February 1996 and 27 May 2003, concerning periodic information on the financial situation of credit institutions to be supplied to the NBB and the BFC (semi-official coordination)).

11.1.5.2. Basic characteristics

All credit institutions governed by Belgian law and Belgian branches of those established under foreign law must provide accounting information. Reporting by banks includes the balance sheet, off-balance-sheet items, the profit and loss account, the accumulation account and various annexes which provide information on inter-bank transactions, loan and deposit operations broken down by sector and instrument, share portfolio, geographical breakdown of assets, breakdown of assets and liabilities by residual term, compliance with rules governing own resources, and situation regarding commercial and major risks.

The frequency for the components of Schedule A varies:

- monthly: balance sheet, off-balance-sheet items, summary of inter-bank transactions, summary of current volumes of loans and deposits;
- quarterly: profit and loss account and full annexes;
- annual: accumulation account.

¹⁴⁵ As opposed to schedule B, which covers the published annual accounts.

There are three forms of schedule A reporting:

- reporting on enterprise basis, covering the activities of Belgian credit institutions and their foreign branches (Schedule A - tables 00.10-00.60);
- reporting on territorial basis, covering the activities of institutions established on Belgian territory (Schedule A - tables 00.10b-00.50b);
- reporting on consolidated basis (Schedule A - tables 00.10c-00.50c)

Credit institutions governed by Belgian law file their balance sheet on both enterprise and territorial basis, but their profit and loss accounts are only available on enterprise basis. Foreign credit institutions only report to the Belgian supervisory authorities on their transactions on Belgian territory. For national accounts purposes, the profit and loss account data (and details on some of their headings obtained from the structure survey) of credit institutions governed by Belgian law have to be converted to territorial basis by applying a coefficient.

Annex: "Schedule A" folder

11.1.6. Annual accounts of insurance enterprises

11.1.6.1. Identification

Name of source:	Annual accounts/accounting schedule
Supervisory body:	BFIC
Purpose of data collection:	Supervision of insurance enterprises (Law of 9 July 1975)

11.1.6.2. Basic characteristics of source

Reporting units

All insurance enterprises governed by Belgian law or by the law of a non-EEA country have to complete an accounting schedule and submit it to the BFIC by 30 June of year t+1. The form of the schedule is laid down by Royal Decree of 17 November 1994 (copy hereto appended) and is very detailed and comprehensive.

There is a detailed version and a simplified version of the schedule. Insurance enterprises are only required to publish the simplified version, but under an agreement with the ISO (merged with the BFC from 1 January 2004 to form the BFIC) we have access to the detailed version of annual accounts of every insurance enterprise.

In 2004, 118 insurance enterprises were supervised by the BFIC. Two not subject to BFIC supervision also file this accounting schedule. We also have access to their detailed annual accounts. They are the Joint Automobile Guarantee Fund (JAGF) and the Belgian Bureau of Automobile Assessors (BBAA). Their data are consolidated with BFIC data in our calculations.

Frequency	Annual (filed on 30 June)
------------------	---------------------------

11.1.6.3. What variables are we trying to measure?

The calculation of output and intermediate consumption of insurance enterprises which file an accounting schedule is based mainly on the following data:

- premiums
- investment income
- reserves, claims paid
- operating costs.

For details of the headings used, cf. 3.16.2.

11.1.6.4. Adjustments

Various adjustments are made to the basic aggregates taken from the annual accounts to bring them into line with ESA 1995, mainly on the basis of the structure survey of insurance enterprises. These adjustments are described elsewhere (cf. 3.16.2).

Annex:	Schéma comptable assurances.doc
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11.1.7. Annual accounts of pension funds

11.1.7.1. Identification

Name of source:	Annual accounts
Supervisory body:	BFIC
Purpose of data collection:	Supervision of pension funds (Royal Decree of 14 May 1985)

11.1.7.2. Basic characteristics of source

Reporting units

All pension funds operating in Belgium must obtain BFIC approval before they can conduct business. Pension funds are subject to BFIC supervision and have to file their annual accounts by 30 June of year t+1 in the form of a schedule defined by Royal Decree of 19 April 1991 (hereto appended). In 2004, there were 265 pension funds subject to BFIC supervision. This source of information is exhaustive.

Frequency	Annual (filed on 30 June)
------------------	---------------------------

11.1.7.3. What variables are we trying to measure?

The output and intermediate consumption of pension funds are calculated mainly on the basis of the following data from the accounting schedule:

- pension contributions
- investment income
- reserves
- benefits paid
- operating costs

For more detail on the headings used, cf. 3.16.2.

11.1.8. VAT returns

11.1.8.1. Identification

Name of source:	VAT returns
Supervisory body:	Ministry of Finance, Corporation and Income Tax Authority
Purpose of data collection:	To determine the amount of value added tax on the basis of sales and purchases data contained in the returns

11.1.8.2. Basic characteristics of source

Reporting units

All payers of VAT except

1. farm operators who as taxpayers are subject for all their work to the special scheme introduced by Article 57, §1, of the VAT code.
2. small corporations subject to the exemption scheme referred to in Article 56, §2 of the VAT code and
3. certain corporations subject to special schemes.

The VAT return includes full name and address details of the corporation or natural person:

- Name
- Legal form
- Address
- VAT number

Frequency

- annual turnover, excluding VAT > €500 000 monthly
- annual turnover, excluding VAT < €500 000 quarterly, optionally monthly

11.1.8.3. What variables are we trying to measure?

VAT returns are used for certain industries to estimate the output and intermediate consumption in an exhaustive way.

The layout of the monthly and quarterly returns is the same, so the note or explanation of the following codes and variables applies for both types of returns.

Estimate of the OUTPUT (economic concept):

VAT return Section III:

A. Amount of transactions (sales, services, etc.), excluding taxes

- Box 00: subject to zero rate
- Box 01: subject to tax of 6%
- Box 02: subject to tax of 12%
- Box 03: subject to tax of 21%

B. Transactions for which VAT must be paid by the co-contractor

Box 45: amount excluding VAT

C. Amount of transactions exempt from tax and positive corrections relating thereto.

Box 46: intra-community supplies of goods and similar transactions. Supplies of goods with installation or erection in another Member State and distance sales.

Box 47: exports to non-EEC Member States, transactions carried out abroad and other exempt transactions.

D. Amount of credit notes issued and negative corrections (excluding taxes):

Box 48: relating to the transactions referred to in box 46

Box 49: relating to transactions referred to in the other boxes of section III included under letters A, B and C

$$\text{OUTPUT} = 00 + 01 + 02 + 03 + 45 + 46 + 47 - 48 - 49$$

11.1.8.4. Estimate of INTERMEDIATE CONSUMPTION (economic concept)

VAT return Section V:

Amount of incoming transactions taking into account credit notes received and other corrections.

Box 81: Goods for resale, materials and supplies

Box 82: Services, miscellaneous goods and other

$$\text{INTERMEDIATE CONSUMPTION} = 81 + 82$$

11.1.8.5. Adjustments

The miscellaneous adjustments made to impute missing data are described in the section "Valuation S.11 and S.14" (cf. 3.2.1). The adjustments made to arrive at an ESA 1995 definition of a term described in the section "Transition from administrative to ESA 1995 concepts" (cf. 3.3).

11.1.8.6. Estimate of investments

VAT return Section V:

Box 83: Assets

Annex:

VAT return on paper

11.1.9. Personal income tax returns

11.1.9.1. Identification

Name of source	Income tax returns by physical persons
Supervisory body	Federal Ministry of Finance, direct taxation
Purpose of data collection	The purpose is to levy tax on the incomes of physical persons in Belgium, including the self-employed (part 2 of the return).

11.1.9.2. Basic characteristics

Main variables	DESCRIPTION	CODES
	Company executives	
1)	Remuneration	400 and 425
2)	Compensation for breach of contract	403 and 428
3)	Professional expenses	406 and 431
	Industrial, commercial or agricultural enterprises	
4)	Gross operating profit	600 and 625
5)	Professional expenses	606 and 631
	Professions	
6)	Professional earnings received	650 and 675
7)	Arrears of fees	652 and 677
8)	Actual professional expenses	657 and 682
9)	Flat-rate professional expenses	658 and 683
10)	Depreciation	954 and 974
11)	Wages	955 and 975
	Note: The first of each pair of codes relates to an unmarried taxpayer or a husband, the second to a wife only. The codes appear in part 2 of the tax return.	

Frequency

Annual

Results available t+18 months

11.1.9.3. Adjustments

How are missing data estimated? On the basis of NSSO data

Variables used for extrapolation? None

Other adjustments? None

Estimate of OUTPUT and INTERMEDIATE CONSUMPTION

(commercial concepts)

A. Company executives

Calculation of output

Output is the sum of remuneration and benefits of all kinds, plus severance payments.

$$\boxed{\text{OUTPUT} = \text{CODES } 400 + 425 + 403 + 428}$$

Calculation of intermediate consumption

Intermediate consumption corresponds to work expenses.

$$\boxed{\text{INTERMEDIATE CONSUMPTION} = \text{CODES } 406 + 431}$$

B. Professions

Calculation of output

Output is the sum of professional earnings, arrears of fees and supplementary commercial or agricultural activities.

$$\boxed{\text{OUTPUT} = \text{CODES } (600 + 625: 650 + 675) + (652 + 677)}$$

Calculation of intermediate consumption

Intermediate consumption comprises actual expenses and flat-rate expenses less depreciation and wages paid by the taxpayer. These two items are not part of intermediate consumption according to ESA 1995.

$$\boxed{\text{INTERMEDIATE CONSUMPTION} = \text{CODES } (606 + 631) + (657 + 682) + 0.6* (+658 + 683) - (954 + 974 - (955 + 975))}$$

11.1.10. Structure survey of enterprises (SSE)

11.1.10.1. Identification

Name of source:	Annual structure survey of enterprises
Supervisory body:	National Statistical Institute
Aim:	The aim of the European Regulation is to establish a common framework for the collection, transmission and evaluation of Community statistics on the structure, activity, competitiveness and performance of enterprises in the Community. A Royal Decree prescribing an annual survey on the structure of enterprises was published in the Belgian Official Gazette on 22 August 1996.

11.1.10.2. Basic characteristics

The survey examines the structure of enterprises. The survey population is therefore all enterprises situated in Belgium. The data required cover business activity, employment, income, expenditure and investments, and refer to the previous accounting year, which does not necessarily coincide with the calendar year. The survey data are intended to provide comparable, comprehensive, reliable and recent statistics on the structure of enterprises at European level. The other EU Member States conduct similar surveys.

11.1.10.2.1. The purpose of these statistics is to analyse:

- the structure and business trends of enterprises
- production factors used and other elements for measuring the activity, performance and competitiveness of enterprises
- regional, national and international trends in enterprises and markets
- business policy of enterprises
- small and medium-sized enterprises
- specific characteristics of enterprises in particular domains of activity.

This survey covers all the activities in sections C to K of the Standard Classification of Economic Activities in the European Community (NACE Rev.1)¹⁴⁶.

¹⁴⁶ The nomenclature used in the Belgian national accounts is NACE-BEL (cf. 10.1).

11.1.10.2.2. Description of questionnaires

11.1.10.2.2.1. Simplified questionnaires (GS) and detailed questionnaires(GD)

As not all enterprises are under the same legal obligations as regards accounting, two types of questionnaire had to be developed: a simplified questionnaire for enterprises with simplified accounts and the self-employed (except those not subject to VAT and not employing persons subject to social security), and a detailed one for enterprises which compile full accounts.

Both kinds of questionnaire are composed of two parts:

- 1 general data for identifying each enterprise as regards personnel and activities,
- 2 accounting data: information on various elements of the enterprise's accounts (turnover, purchases, investments etc).

The main difference between the simplified and detailed questionnaires is in the accounting data, which the information required is much more comprehensive in the detailed questionnaire, particularly on investments and disinvestments.

The detailed questionnaire is closely related to the standardised minimum accounting plan which serves as the basis for all the accounts of large enterprises. A reference in the questionnaire establishes the link with their accounts.

From 2003 (financial year 2002) the detailed questionnaire (GD) was replaced by a statistical annex to the annual accounts. This annex is different for corporations that must file full and abridged accounting schedules. There are few differences in content between the 'old' structure survey (form GD) and the 'new' structure survey (statistical annex to the annual accounts). The statistical annex contains no product information. Please refer for this to 11.1.11.

For the simplified questionnaire, the approach is quite different and based on the data required in the tax return. However, the information required by the two questionnaires differs only in the level of detail.

11.1.10.2.2.2. Questionnaire for associations (GV)

A specific questionnaire intended for associations has also been developed. Unlike the detailed questionnaire for enterprises, it is not linked to the standardised minimum accounting plan, which does not apply to associations. The questionnaire for associations covers the same areas as the questionnaires for enterprises, namely:

- 1 general data;
- 2 accounting data: information on various elements of the association's accounts (resources, expenditure, investments etc).

The data collected via this survey are only used for national accounts purposes.

11.1.10.2.2.3. Forms (Annexes)

The forms are breakdowns for certain headings in the detailed questionnaire.

The number of forms depends on the size of the enterprise and its main activity.

There are forms for the following headings:

- turnover by product (industrial, commercial, services)
- purchases of goods and services, by product
- investments, by product
- list of local units showing employment, wages and investments per local

It is therefore possible to calculate distribution keys by product for the main variables by branch of activity. This has to be done in order to compile the SUT table.

11.1.10.2.3. Structural statistics¹⁴⁷

These statistics are grouped into four modules:

- a common module on annual structural statistics
- a detailed module on structural statistics of industry
- a detailed module on structural statistics of trade
- a detailed module on structural statistics of the construction industry.

Each module covers:

- activities for which statistics have to be compiled
- types of statistical units to be used for compiling them
- lists of characteristics for which statistics are required
- statistics required on demography of enterprises
- frequency of statistics (annual or multiannual)

¹⁴⁷ The questionnaires for associations are not used for compiling structural statistics.

- timetable of first reference years for statistics
- standards relating to representativeness and volume evaluation
- deadline for transmission of results after end of reference period
- maximum permissible length of any transition period.

Common module on annual structural statistics,

The statistics required relate to:

- structure and evaluation of activities of enterprises,
- production factors employed and other elements for measuring the activity, performance and competitiveness of enterprises,
- regional, national and international development of enterprises and markets.

Scope:

- Sections C, D, E and F (mining and quarrying; manufacturing; production and distribution of electricity, gas and water; construction): Member States transmit their national results broken down by NACE Rev.1 classes
- Section G (wholesale and retail trade repair of motor vehicles and domestic articles): Member States transmit their national results broken down by NACE Rev.1 classes
- Section H (hotels and restaurants)
- Section I (transport, storage and communication)
- Section J (financial intermediation: cf. 11.1.10 to 11.1.13)
- Section K (real-estate, renting and business service activities).

The other three modules.

The statistics required relate to:

- structure and evaluation of activities of enterprises,
- production factors employed and other elements for measuring the activity, performance and competitiveness of enterprises,
- regional, national, Community and international development of enterprises and markets,
- business policy of enterprises,
- small and medium-sized enterprises and, in particular:
 - a central set of statistics for detailed analysis of the structure, activity, performance and competitiveness of industrial activities,
 - a supplementary list of statistics for examining specific issues.

Scope:

- For the detailed module on structural statistics of industry:
 - all activities in sections C, D and E of NACE Rev 1.
- For the detailed module on structural statistics of trade:
 - all activities in section G of NACE Rev 1.
- For the detailed module on structural statistics of the construction industry:
 - all activities in section F of NACE Rev 1.

11.1.10.2.4. Validation of structure survey data

Checks are necessary in order to verify the consistency and accuracy of collected data. The basic aim is to automate (i.e. computerise) these checks. They include logical tests and checks on consistency between variables, total or subtotal calculations, arithmetical sign checks, comparisons and the plausibility of certain values.

Depending on the source of data used for checks, a distinction is made between external checks (using data not obtained from the survey) and internal checks (using only data obtained via the survey). Plausibility checks for certain values (unit values of products, average hours worked per person, etc.) are also regarded as a separate category.

The choice of checks also depends on the questionnaires and whether they are accompanied by annexes.

11.1.10.2.5. Deadline for transmission of results and reference year

All results are transmitted within 18 months of the end of the reference calendar year. For some business statistics, preliminary national results or estimates are transmitted within 10 months of the end of the reference calendar year.

For multiannual statistics, reference years can vary according to the modules and statistics required, which are determined every five years.

11.1.10.3. Frequency and survey population

To define the survey population, we start from the DBRIS database (comprising those required to provide statistical data, cf. 11.1.1).

This database is designed to index producer units and their characteristics, enable the preparation of exhaustive or sample surveys and facilitate the construction of statistical units.

DBRIS should enable us in the long term to draw up a profile of the characteristics of each individual enterprise on the basis of various administrative files, and its situation relative to different surveys.

The survey is carried out annually¹⁴⁸ on a random sample of both enterprises and small businesses. About 33 000 of the 700 000 enterprises (corporations, self-employed persons, professions) operating in Belgium are surveyed; nearly 7 000 small enterprises receive the simplified questionnaire, while the other 26 000 (large) enterprises receive the detailed questionnaire. The response was 78% to the simplified survey (GS) and 93% to the detailed survey (GD).

The survey covers industry, trade, hotels, restaurants etc. and transport, certain financial services and the broad range of business services and personal services. It is the first time in the history of Belgian statistics that an annual survey has covered the whole service sector (which accounts for 60% of GDP). To reduce the workload on enterprises as much as possible, just over 26 000 out of a total of 500 000 are surveyed. Since these enterprises are chosen on a random basis, many very small enterprises have only to complete a questionnaire once every ten years on average.

The structure survey of associations is also carried out annually on a random sample drawn in the same way as the sample of enterprises. The survey population comprises all non-profit associations which employ personnel, whatever the branch of activity to which the units belong, except the following, for which other sources of information are available:

- private schools (NACE 80.1 to 80.3);
- hospitals (NACE 85.11);
- pension funds (NACE 66.02).

The total potential survey population is about 11 000 units. About 2 500 associations are questioned each year. (In 1997, the response to the GV survey was 80%)

11.1.10.3.1. Composition of stratified sample

The survey population of enterprises drawn from DBRIS is stratified according to two criteria: sector of activity and size (the latter combining employment and turnover = IIS = Integrated Indicator of Size). All those employing more than 20 persons or with turnover exceeding 5 million euros are surveyed.

¹⁴⁸ Annually for the simplified, detailed and association questionnaires and the turnover form. The other forms are multiannual.

Below this threshold, the survey covers a new sample each year so that smaller enterprises are not surveyed every year.

The five classes selected appear in the table below:

Class and IIS in decreasing order of magnitude		Definitions in terms of turnover and employment
5	150 +	Any enterprise meeting at least one of the following criteria: - turnover > 25 000 000 euros - employment > 200 - not subject to VAT and employing > 100
4	50 < 150	Any enterprise not in previous category but meeting at least one of the following criteria: - turnover > 12 500 000 euros - employing > 100 - not subject to VAT and employing > 50 - employing > 50 and turnover > 200 million euros
3	20 < 50	Any enterprise not in previous category but meeting at least one of the following criteria: - turnover > 5 000 000 euros - employing > 50 - not subject to VAT and employing > 20 - employing > 20 and turnover > 1 250 000 euros
2	4 – 20	Any enterprise neither in previous nor in next category
1	< 4	Any enterprise meeting at least one of the following criteria: - employing < 5 and turnover < 1 250 000 euros - employing < 10 and turnover zero or negative

The survey population falls into the various classes as follows¹⁴⁹:

Class and I.I.S.	% of enterprises	% of employees	% of turnover
1 < 4	89.7	26	12
2 4 – 20	7.5	14	13
3 20 < 50	1.7	9	11
4 50 < 150	0.6	8	10
5 150 +	0.4	43	54

11.1.10.3.2. Sampling

Sampling has to reconcile a number of factors:

1. maximum coverage to maximise the accuracy of overall estimates, which inevitably heavily over-represent large units,
2. adequate coverage of each aspect of the survey population, to ensure sufficient accuracy of estimates and produce publishable results (given the rules on confidentiality), which entails a minimum sampling rate and minimum workforce sample, irrespective of the size of the population,
3. total workforce sample within the limit of available resources, i.e. about 40 000 units.

¹⁴⁹ Breakdown at start of 1996 SSE (covering 1995).

Sampling rates are determined according to the double stratification defined. Given the concentration of production activity, the largest enterprises (classes 4 and 5) have to be surveyed exhaustively.

At the opposite end of the scale, a minimum of three units per publishable cell is essential to comply with the rules on confidentiality, coupled with a minimum sampling rate of 1/30. The minimum sample size does not guarantee a maximum sampling rate per stratum, so units which are under-represented have to be surveyed in larger numbers.

11.1.10.4. Use of the structure survey of enterprises in the national accounts

These surveys make it possible to:

- convert administrative aggregates to national accounts aggregates
- calculate output, intermediate consumption and investments by product in the SUT via the turnover, purchasing and investment tables.
- regionalise the compensation of employees and investments via the local units form.
- estimate the main aggregates (P.1, P.2, D.29, D.1, D.41, D.75, P.51, D.6313) of market and non-market NPAs from the questionnaire for associations.
-

ESA 1995 code	DESCRIPTION	CALCULATION OF ESA 1995 VARIABLES
P.1	Output (*)	GVINC02 + GVINC03 + GVINC04 + GVINC06 + GVINC08 + GVINC16 + GVINC20 - CURCH06
P.2	Intermediate consumption	CURCH02 + CURCH04 + CURCH10 + CURCH12 + CURCH14 + CURCH16 + CURCH18 + CURCH22 + CURCH24 + (0.4*CURCH26) + CURCH28 + CURCH30 + CURCH32 + CURCH46 + PRSCH22 + PRSCH24
D.29	Tax on production	CURCH44
D.1	Compensation of employees	PRSCH04 + PRSCH06+ PRSCH08 + PRSCH13 + PRSCH15 + PRSCH20 + PRSCH26
D.41	Interest received and paid	GVINC12 and CURCH34
D.75	Gifts received and donated	ESPRC99 and ESPRV99
P.51	Fixed capital formation	Variables INVAQ, INVLG and INVSL
K.21	Acquisitions less disposals of land	INVAQ02 and INVSL02
D.6313	Social benefits in kind	CURCH08

(*) If the NPA is regarded as being of the market type.

Annex:

SSE folder

11.1.11. Statistical annex to the annual accounts

11.1.11.1. Statistical annex to the abridged schedule of the annual accounts

Pages VKT 99A, VKT 99B and VKT 99C are intended ONLY for delivery by the Central Balance Sheets Office of the NBB to the National Institute for Statistics (NIS). The individual data are NOT PUBLISHED by the NBB in accordance with the Corporations Code.

VAT or national No:	Date end financial year:	/	/	VKT 99A.
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Name:
.....

Contact within the corporation:

Name:

Position:

Telephone: Fax: E-mail:

Where applicable, contact outside the corporation (firm of accountants):

Name:

Position:

Telephone: Fax: E-mail:

Number of establishments in Belgium	001	
Number of establishments abroad	002	

The amounts relate to the FINANCIAL YEAR and are expressed in EUR UNITS

1. DATA RELATING TO THE CORPORATION AS A WHOLE

1.1. ASSETS ITEM "INTANGIBLE FIXED ASSETS" (= account 21, MGSA¹⁵⁰)

¹⁵⁰ Minimum classification of a General System of Accounts as provided by Royal Decree of 12 September 1983.

ACQUISITIONS¹⁵¹ during the financial year of computer software (in principle recorded in asset account 21, "Intangible fixed assets")¹⁵²	005	
---	-----	--

ACQUISITIONS.2 recorded as intangible fixed assets during the financial year, relating to:

- Research and development (in a/c 210)	8021	
- Concessions, patents, licences, know how, trade marks, etc. (in a/c 211)	8022	
- Goodwill (in a/c 212)	8023	
- Payments on account on intangible fixed assets (in a/c 213)	8024	

1.2. ASSET ITEM "TANGIBLE FIXED ASSETS" (= accounts 22 to 27)

ACQUISITIONS.2 during the financial year¹⁵³ of:

Land (recorded in a/c 220)	010	
Buildings and land underlying buildings and structures (recorded in a/c 221 + 222):		
- Existing buildings and land underlying buildings and structures	011	
- New buildings	012	
Other real rights to real estate (recorded in a/c 223)		
Plant and equipment (recorded in a/c 23)	013	
Machinery (recorded in a/c 23)	014	
Furniture (recorded in a/c 24)	015	
Rolling stock (recorded in a/c 24)	016	
Fixed assets leased or on basis of similar rights (recorded in a/c 25)	017	
Other tangible fixed assets (recorded in a/c 26)	8164	
Fixed assets under construction and payments on account (= a/c 27)	8165	
Other structures (recorded in a/c 23, 26 or 27)	8166	
Investments to treat environmental nuisance	025	
Investments to prevent environmental nuisance	026	
	027	

¹⁵¹ = acquisitions plus self-produced fixed assets.

¹⁵² (*Cf. opinion No 138/5 of the Accounting Standards Commission, Bulletin No 35, October 1995, p.7.*)

¹⁵³ The acquisitions referred to are indicated in point "III. Statement of tangible fixed assets" of the notes to the annual accounts under code 816x.

1.3. EQUITY IN THE CORPORATION HELD BY FOREIGN CORPORATE BODIES OR NATURAL PERSONS, *per country*

COUNTRY	Share of the capital held

1.4. OPERATING INCOME AND OPERATING COSTS

1.4.1. OPERATING INCOME (= a/c 70 + 71 + 72 + 74)

Description of the principal activity of the corporation:		
.....		
Turnover ¹⁵⁴ (= a/c 70)	70	
Turnover which consists of sales to foreign customers	030	
Breakdown of turnover (= a/c 70) into turnover from: - industrial activities	031	
- trade activities	032	
- service activities	033	
- construction activities	034	
Turnover produced as subcontractor	035	
Change in inventories of semi-manufactured and finished goods and work-in-progress (increase +, decrease -) (= a/c 71)	71	
(Self-)Produced fixed assets (= a/c 72)	72	
Of which: Software	037	
Other operating income (= a/c 74)	74	
Of which: Operating subsidies and compensatory amounts (= a/c 740)	740	

¹⁵⁴ Only has to be indicated here if not already indicated in the profit and loss account of the annual accounts to be published.

1.4.2. OPERATING COSTS (= a/c 60 + 61 + 62 + 63 + 64)

BREAKDOWN OF OPERATING COSTS (= a/c 60 + 61 + 62 + 63 + 64)		
Costs of goods for resale, materials and supplies, services and miscellaneous goods ¹⁵⁵ (= a/c 60 + 61)	60/61	
Purchases of goods for resale, materials and supplies, services and miscellaneous goods for foreign suppliers (recorded in a/c 600/8 + 61)	040	
General subcontracting (= a/c 603)	603	
Purchases of goods for resale (= a/c 604)	604	
Changes in inventories (= a/c 609)	609	
Purchases of computer software (if recorded as current costs in a/c 61)	049	
Costs of temporary staff and people seconded to the corporation (= a/c 617)	617	
Payments to directors and managers: - recorded in a/c 618 ¹⁵⁶	051	
- recorded in a/c 6200 ¹⁵⁷	052	
Business taxes (= a/c 640)	640	
Has your corporation incurred costs for research and development during the financial year that were NOT capitalised?		YES / NO

2. DATA LIMITED TO BELGIAN ESTABLISHMENTS

Total number of hours actually worked by temporary staff and people seconded to the corporation	9098	
People not on the payroll ¹⁵⁸ employed in a Belgian establishment on 30 June (number of heads)	086	

¹⁵⁵ Must only be indicated here if not already indicated in the profit and loss account of the annual accounts to be published.

¹⁵⁶ A/c 618 - "Remuneration, premiums for non-statutory insurance, retirement and survivors' pensions for directors, business managers and working partners, not granted under an employment contract".

¹⁵⁷ A/c. 6200 - "Remuneration and direct social benefits for directors and business managers".

¹⁵⁸ Co-working proprietors, partners, unremunerated family members.

3. DATA LIMITED TO FOREIGN ESTABLISHMENTS

Average number of employees employed in foreign establishments <i>(number of heads)</i>	087	
Wages and salaries, social security contributions and pensions granted to these employees ¹⁵⁹	088	

11.1.11.2. Statistical annex to the full schedule of the annual accounts

Pages VOL 99A, VOL 99B, VOL 99C, VOL 99D and VOL 99E are intended ONLY to be supplied by the Central Balance Sheets Office of the NBB to the DGSEI. The individual data are NOT PUBLISHED by the NBB in accordance with the Corporations Code

VAT or national No:	Date end financial year:	/ /	VOL 99A.
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Name:
.....

Contact within the corporation:

Name:

Position:

Telephone: Fax: E-mail:

Where applicable, contact outside the corporation (firm of accountants):

Name:

Position:

Telephone: Fax: E-mail:

Number of establishments in Belgium	001	
Number of establishments abroad	002	

The amounts relate to the FINANCIAL YEAR and are expressed in THOUSANDS OF EUR

¹⁵⁹ Recorded in account 62.

1. DATA RELATING TO THE CORPORATION AS A WHOLE

1.1. ASSET ITEM "INTANGIBLE FIXED ASSETS" (= account 21, MGSA¹⁶⁰)

ACQUISITIONS¹⁶¹ during the financial year of computer software (in principle recorded in the asset account 21, "Intangible fixed assets")¹⁶²	005	
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1.2. ASSET ITEM "TANGIBLE FIXED ASSETS" (= accounts 22 to 27)

ACQUISITIONS.2 (without leasing) during the financial year¹⁶³ of:

Land (recorded in a/c 220)	010	
Buildings and land underlying buildings and structures (recorded in a/c 221 + 222):		
- Existing buildings and land underlying buildings and structures	011	
- New buildings	012	
Other real rights to real estate (recorded in a/c 223)	013	
Plant and equipment (recorded in a/c 23)	014	
Machinery (recorded in a/c 23)	015	
Furniture (recorded in a/c 24)	016	
Rolling stock (recorded in a/c 24)	017	
Fixed assets under construction and payments on account (= a/c 27):		
- Buildings	021	
- Plant and equipment	022	
- Machinery	023	
- Furniture and rolling stock	024	
Other structures (recorded in a/c 23, 26 or 27)	025	
Investments to treat environmental nuisance	026	
Investments to prevent environmental nuisance	027	

¹⁶⁰ Minimum classification of the General System of Accounts, as provided by Royal Decree of 12 September 1983.

¹⁶¹ = acquisitions plus self-produced fixed assets.

¹⁶² (*Cf. opinion No 138/5 of the Accounting Standards Commission, Bulletin No 35, October 1995, p.7*)

¹⁶³ Acquisitions referred to are indicated in point "III. Statement of tangible fixed assets" of the notes to the annual accounts under code 816x: code 8161 includes acquisitions of land and buildings, code 8162 includes acquisitions of plant, machinery and equipment, code 8163 includes acquisitions of furniture and rolling stock and, finally, code 8166 relates to fixed assets under construction and advance payments.

1.3. EQUITY IN FOREIGN ASSOCIATED CORPORATIONS AND FOREIGN CORPORATIONS LINKED BY VIRTUE OF A PARTICIPATING INTEREST (*recorded in asset accounts 280 and 282*)

Acquisitions (<i>included in the annual accounts headings 8361 and 8362</i>)	028	
Sales (<i>at the sales price</i>)	029	

1.4. EQUITY HELD IN THE CORPORATION BY FOREIGN CORPORATE BODIES OR NATURAL PERSONS, *per country*

COUNTRY	Share of the capital held	COUNTRY	Share of the capital held

1.5. OPERATING INCOME AND OPERATING COSTS

1.5.1. OPERATING INCOME (= a/c 70 + 71 + 72 +74)

Description, by the corporation , of the different types of activities carried out, with their percentage contribution to the total turnover (= a/c 70)		
.....	%
.....	%
.....	%
.....	%
Turnover (= a/c 70) which consists of sales to foreign customers	030	
Breakdown of turnover (= a/c 70) into turnover from: - industrial activities	031	

- trade activities	032	
- service activities	033	
- construction activities	034	
Turnover achieved as subcontractor	035	
General government subsidies included in the turnover ¹⁶⁴ (<i>recorded in a/c 70</i>)	036	
Software recorded in a/c 72 "Produced fixed assets"	037	
Gains on current disposal of tangible fixed assets (= a/c 741)	741	
Gains on the disposal of trade debtors (= a/c 742)	742	
Rent received for land ¹⁶⁵	038	
Compensation received ¹⁶⁶	039	

1.5.2. OPERATING COSTS (= a/c 60 + 61 + 62 + 63 + 64)

Purchases of goods for resale, materials and supplies, services and miscellaneous goods from foreign suppliers (<i>recorded in a/c 600/8 +61</i>)	040	
Of which: contract work and processing purchased from foreign suppliers	041	
Purchases of materials and supplies, without energy (<i>recorded in a/c 600 and 601</i>)	042	
Purchases of energy and energy carriers (<i>recorded in a/c 60 and 61</i>):		
- Electricity	043	
- Natural gas	044	
- Petroleum products	045	
- Other energy carriers	046	
Purchases of services, work and studies (= a/c 602)	602	
General subcontracting (= a/c 603)	603	
Purchases of goods for resale (= a/c 604)	604	
Purchases of real estate intended for sale (= a/c 605)	605	

¹⁶⁴ Under a tariff-setting policy, as compensation for lower revenues.

¹⁶⁵ Depending on the case recorded as "Sundry operating income" (*in accounts 743 to 749*) or as "Turnover" (*in account 70*).

¹⁶⁶ Depending on the case recorded as "Sundry operating income" (*in accounts 743 to 749*) or as "Other extraordinary income" (*in accounts 764 to 766*).

Received discounts, refunds and rebates (-) (= a/c 608)	608	
Changes in inventories:		
- of materials and supplies (= a/c 6090 + 6091)	047	
- of goods for resale (= a/c 6094)	6094	
- of purchased real estate intended for sale (= a/c 6095)	6095	
Rental of buildings, plant, machinery, equipment, furniture and rolling stock (<i>recorded in a/c 61</i>)	048	
Acquisition of computer software (<i>if as current costs entered in a/c 61</i>)	049	
Gifts and presents (<i>recorded in a/c 61</i>)	050	
Payments to directors and managers: - recorded in a/c 618 ¹⁶⁷	051	
- recorded in a/c 6200 ¹⁶⁸	052	
Excise duties (<i>recorded in a/c 640, "Business taxes"</i>)	053	
Non-reclaimable VAT (<i>recorded in a/c 640, "Business taxes"</i>)	054	
Losses on current disposal of fixed assets (= a/c 641)	641	
Losses on irrecoverable debts (= a/c 642)	642	
Has your corporation incurred costs for research and development that were NOT capitalised?		YES / NO

1.6. FINANCIAL INCOME AND CHARGES

1.6.1. FINANCIAL INCOME (= a/c 75)

Dividends (<i>recorded in a/c 750 and 751</i>)	056	
Interest (<i>recorded in a/c 750 and 751</i>)	057	
Gains on disposal of current assets (= a/c 752)	752	
Foreign exchange results (= a/c 754)	754	
Results from the conversion of foreign currencies (= a/c 755)	755	
Financial discounts received (<i>recorded in a/c 756 to 759. Miscellaneous financial income</i>)	058	

¹⁶⁷ A/c 618 - "Remuneration, premiums for non-statutory insurance, retirement and survivors' pensions for directors, business managers and working partners that are not granted under an employment contract".

¹⁶⁸ A/c 6200 - "Remuneration and direct social benefits for directors and business managers".

1.6.2. FINANCIAL CHARGES (= a/c 65)

Losses on disposal of current assets (= a/c 652)	652	
Foreign exchange results (= a/c 654)	654	
Results from the conversion of foreign currencies (= a/c 655)	655	
Financial discounts granted (<i>recorded in a/c 657 to 659, Miscellaneous financial charges</i>)	059	

1.7. EXCEPTIONAL INCOME AND CHARGES**1.7.1. EXCEPTIONAL INCOME (= a/c 76)**Breakdown of gains on disposal of fixed assets (= a/c 763): **Gains on disposal of:**

- intangible fixed assets	080	
- tangible fixed assets	081	
- financial fixed assets	082	

1.7.2. EXCEPTIONAL CHARGES (= a/c 66)Breakdown of losses on disposal of fixed assets (= a/c 663): **Losses on disposal of:**

- intangible fixed assets	083	
- tangible fixed assets	084	
- financial fixed assets	085	

2. DATA LIMITED TO BELGIAN ESTABLISHMENTS

Persons not on the payroll ¹⁶⁹ working in a Belgian establishment on 30 June (<i>number of heads</i>)	086
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For each Belgian establishment, with the registered office as first establishment and then every other (operating) headquarters in Belgium

Establishment No	Post code	Wages and salaries, social security contributions and pensions (recorded in a/c 62)	Acquisitions of tangible fixed assets (recorded in a/c 22 to 27) ¹⁷⁰
1			
2			
3			
Etc.			

3. DATA LIMITED TO ESTABLISHMENTS ABROAD

Average number of employees employed in foreign establishments (<i>number of heads</i>)	087	
Wages and salaries, social security contributions and pensions granted to these employees ¹⁷¹	088	
Investments in foreign establishments made during the financial year		
- Acquisitions of tangible fixed assets ¹⁷²	089	

¹⁶⁹ Co-working proprietors, partners, unsalaried family members.

¹⁷⁰ The acquisitions referred to in point "III. Statement of tangible fixed assets" of the notes to the annual accounts indicated under code 816x, for both Belgian and any foreign establishments.

¹⁷¹ Recorded in account 62.

¹⁷² Recorded in accounts 22 to 27.

4. VALUATION OF PURCHASED INVENTORIES

Please mark with a cross what applies (if more than one valuation method is used, please mark here with a cross the valuation method that applies to the greatest component by amount of the purchased inventories:)

Purchased inventories are valued:

- at the **acquisition value** calculated according to the method:
 - of weighted average prices
 - "Fifo" (first in – first out)
 - "Lifo" (last in – first out)
 - of individualisation of the price of each component
- at the **lower market value on the balance sheet date**.

11.1.12. Structure survey of credit institutions

11.1.12.1. Identification

Name of survey	Annual structure survey of credit institutions
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11.1.12.2. Basic characteristics

Main variables

The structure survey (survey form for 1999 and explanatory notes hereto annexed) provides detail for some headings in schedule A that are necessary for compiling the national accounts for sector S.122. The survey variables used to determine output and intermediate consumption are set out in the table on the use of schedule A data for national accounts purposes.

Frequency

Annual

Results available

t+9 months

Is the survey compulsory?

Yes

Main survey characteristics – method

- whole population
- electronic form on CD-ROM
- replies in XML file form via CSSR

11.1.12.3. Sample and population

Units covered

All Belgian and foreign banks active during year

Sample/population

Whole population.

Response

104 out of 107 banks responded to 2003 survey, i.e. 97% of the population, representing 99% of their balance-sheet value

11.1.12.4. Adjustment methods

Variables used for extrapolation?

The breakdown of schedule A headings for the respondent banks is applied to the whole population

Other adjustments?	Automatic checks on internal and external consistency of data (comparison with schedule A data) before sending to CSSR. Quality checks after receiving the data. In the (rare) event of a problem, the enterprise is contacted.
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Annex: EnqBank99.mdb

Instructions for use:

- Double click EnqBank99.mdb
- Select "Bestand" (= "File") in the top left-hand corner
- Open the menu to the right of the "BIC-code" box
- Press "OK"
- Navigate using the "Previous" , "Next" and "Menu" keys (back to main menu)
- Choose language (French or Flemish)
- Select "Openen..." ("Open...")
- Select notional survey return "x0001"
- Press "OK" in main menu again
-

11.1.13. Structure survey of insurance enterprises subject to BFIC supervision (ISO supervision prior to 2004)

11.1.13.1. Identification

Name of survey

Structure survey of insurance enterprises subject to BFIC supervision (ISO supervision prior to 2004)

11.1.13.2. Basic characteristics

Main variables

- detail between turnover realised abroad directly and via an establishment abroad
- breakdown of reinsurance accepted and ceded between Belgium and rest of world
- breakdown of non-life insurance premiums by sector
- detail of intermediate consumption by product
- investments and disinvestments
- various other details.

Frequency

Annual

Results available

t+12 months

Is the survey compulsory?

Yes

Main characteristics of survey method

- limited population (118 units)
- electronic form, questionnaire returned by e-mail or diskette.

11.1.13.3. Sample and population

Units covered

Insurance enterprises subject to BFIC supervision (ISO supervision prior to 2004)

Sample/population

Whole population

Response	100%
11.1.13.4. Adjustment methods	
How are missing data estimated?	None
Variables used for extrapolation?	None
Other adjustments?	As the questionnaire is directly related to the annual accounts of enterprises, checks to ensure consistency between the annual accounts and the survey. In the (rare) event of a problem, the enterprise is contacted.

Annex: EnqOCA99.mdb

Instructions for use: cf. 11.1.10

11.1.14. Structure survey of insurance enterprises not subject to BFIC supervision (ISO supervision prior to 2004)

11.1.14.1. Identification

Name of survey

Structure survey of European subsidiaries of insurance and reinsurance enterprises

11.1.14.2. Basic characteristics

Main variables

Reinsurance enterprises and subsidiaries of insurance enterprises governed by the law of other EEA Member States are not subject to BFIC checks and do not file annual accounts with the CBSO. The survey is the only source of information on them. In practice, it takes the simplified annual accounts schedule filed by insurance enterprises covered by the Royal Decree of 27 November 1994 (see annex).

Frequency

Annual

Results available

t+12 months

Is the survey compulsory?

Yes

- limited population (62 units)
- electronic form, questionnaire returned by e-mail or diskette.

11.1.14.3. Sample and population

Units covered

Insurance enterprises not subject to BFIC supervision

Sample/population

Whole population

Response

100%

11.1.14.4. Adjustment methods

How are missing data estimated?	None
Variables used for extrapolation?	None
Other adjustments?	The form incorporates a number of internal electronic checks. In cases of flagrant inconsistency, the enterprise is contacted.

Annex:

EnqSucR  a99.mdb

Instructions for use:

cf. 11.1.10

11.1.15. Statistics on building permits

11.1.15.1. Identification

Name of survey	Statistics on building permits
Links with other European surveys	Statistics on building permits in other European countries
11.1.15.2. Basic characteristics	
Main variables	<ol style="list-style-type: none"> 1. Type of construction (new housing, public sector, etc.) 2. Date of issue of permit
Frequency	Continuous survey; monthly statistics
11.1.15.3. Sample and population	
Units covered	All new construction in Belgium for which building permits are issued: totally exhaustive source
11.1.15.4. Adjustment methods	
How are missing data estimated?	None
Variables used for extrapolation?	No extrapolation needed
Other adjustments?	None

11.1.16. Statistics on housing starts

11.1.16.1. Identification

Name of survey	Statistics on housing starts
Links with other European surveys	Statistics on housing completions in other European countries
11.1.16.2. Basic characteristics	
Main variables	<ol style="list-style-type: none"> 1. Type of construction (new housing, public sector, etc.) 2. Date of issue of building permit 3. Date of start of work

Frequency	Continuous survey; monthly statistics
11.1.16.3. Sample and population	
Units covered	All building starts in Belgium
11.1.16.4. Adjustment methods	
How are missing data estimated?	None
Variables used for extrapolation?	No extrapolation needed
Other adjustments?	None

11.1.17. Questionnaire for general building contractors

11.1.17.1. Identification

Name of survey	Questionnaire for general building contractors
Links with other European surveys	None

11.1.17.2. Basic characteristics

Main variables	<ol style="list-style-type: none"> Breakdown of turnover by type of construction (new housing, conversion, public sector) Average price or sq. metre price, average surface area and number of dwellings completed by type of dwelling, irrespective of whether sold on main-structure or turnkey basis Duration of construction of private dwellings (in weeks) Spread of monthly payments Intended use of private dwellings: private use or resale.
Frequency	Every two years
Results available	t+8 months
Is the survey compulsory?	No
Main characteristics of survey method	<ul style="list-style-type: none"> General contractors reply on voluntary basis, but with feedback incentive (results of previous survey) Same form for every contractor Paper form sent by post Respondents may give approximate or average data on duration of construction (in weeks), spread of monthly payments (proportion of total invoice paid per month), price (thousands of euros) and surface area (m²). Prices are only used as indices (relative values) and durations of construction and spread of payments as averages. Results from sample are applied to whole

population.

11.1.17.3. Sample and population

Units covered

Sample/population

Response

11.1.17.4. Adjustment methods

How are missing data estimated?

Construction enterprises

The 104 signatories to the Charter of House Builders (the biggest construction enterprises)

About 70%

None

None

Various statistical adjustments are there were obvious inconsistencies in replies may be based on replies from previous years or on contact with contractors concerned or be made by ignoring maverick data.

11.1.18. Panel study of Belgian households

11.1.18.1. Identification

Name of survey

Panel Study of Belgian Households (PSBH)

carried out by Universities of Antwerp (UIA) and Liège (Ulg)

Socio-economic panel survey of Belgian households

None

Link with other European surveys

11.1.18.2. Basic characteristics

Main variables

1. Water laid on
2. Indoor toilets
3. Bathroom
4. Central heating system
5. Garage
6. Rural commune or not
7. Poor urban commune or not
8. Detached house or not
9. Apartment or not
10. Number of separate bedrooms
11. Rent

Frequency

One survey in 1992

Results available

1992 results

Is the survey compulsory?

No

Main characteristics of survey method

- Survey covered 1 055 households selected at random from

	all population strata.
11.1.18.3. Sample and population	<ul style="list-style-type: none"> • Same form for every household.
Units covered	Yes/no for most variables, except number of bedrooms.
Sample/population	1 055 households selected at random from all population strata (criteria of age, socio-economic class, location).
11.1.18.4. Adjustment methods	
How are missing data estimated?	None
Variables used for extrapolation?	Total number of dwellings in each stratum of the DGSEI General Population and Housing Census (2001)
Other adjustments?	None

11.1.19. Agricultural survey

11.1.19.1. Identification

Name of survey	Agricultural and horticultural census (15 May)
Links with other European surveys	<ul style="list-style-type: none"> ▪ Structure survey of agricultural holdings (Regulation 571/88) ▪ Annual surveys to estimate cereal production (Regulation 837/90). ▪ Annual surveys to estimate output of non-cereal crops (Regulation 959/93). ▪ Pig production surveys (Directive 93/23). ▪ Cattle production surveys (Directive 93/24). ▪ Sheep and goat production surveys (Directive 93/25).

11.1.19.2. Basic characteristics

Main variables	<ol style="list-style-type: none"> 1. General information on holding, operator and workforce 2. Crops: area devoted to each. 3. Cattle: composition by type of animal, broken down by age and productive purpose (milking, fattening or breeding). 4. Equipment and buildings.
Frequency	Annual (15 May)
Results available	t+9 months
Is the survey compulsory?	Yes
Main characteristics of survey method	<ul style="list-style-type: none"> • Returns collected by enumerators appointed by municipal administrations. • Same form for every holding.

- Respondents are required to give exact figures in ares/sq. metres of crops and head of livestock.

11.1.19.3. Sample and population

Units covered	Farmers (physical or legal person)
Sample/population	Whole population
Response	100%
11.1.19.4. Adjustment methods	
How are missing data estimated?	None
Variables used for extrapolation?	None
Other adjustments?	Certain statistical adjustments were made where there were flagrant inconsistencies in returns. Adjustments may be based on returns of previous years.

11.1.20. Rail transport of goods

11.1.20.1. Identification

Name of source	Goods transport by rail
Organisation collecting data; Purpose of data collection	Belgian National Railways Part of internal accounting
11.1.20.2. Basic characteristics of source	
What variables are we trying to measure?	<ul style="list-style-type: none"> • points of departure and destination (EU/non-EU) • quantity of goods carried, in tonnes • tonne-kilometres run • tariff income <p style="text-align: center;">subdivided into:</p> <ul style="list-style-type: none"> • traffic (domestic transport, imports, exports and transit) • product (NTS 3-digit classification)
Frequency	Annual
Reporting units	All carriage by BNR
11.1.20.3. Adjustments	
How are missing data calculated?	None
What adjustments are made to eliminate differences of definition with the national accounts?	None
Other adjustments?	None

11.1.21. Prodcom

11.1.21.1. Identification

Name of survey

Prodcom – Monthly survey of industrial output

11.1.21.2. Basic characteristics

Main variables

The main output variables covered are (for each product on Prodcom list):

- deliveries to third parties by volume and value
- contract work supplied by each enterprise to third parties by volume and value
- total output by volume
- output for sale by volume

This survey also covers employment and wages and supplementary headings on industrial services and processing, commercial deliveries, deliveries of products made for the enterprise on a contract basis by enterprises situated abroad, and orders.

Frequency

Monthly

Available results

Individual returns stored and aggregated by directory NACE class.

Is the survey compulsory?

Yes

Main characteristics of survey method

Survey done at local unit level. For any local unit engaging in two or more activities, a return for each activity, i.e. by NACE rev. 1 division (2 digits).

11.1.21.3. Sample and population

Units covered

Enterprises that produce goods on the Prodcom list, i.e. most enterprises that make industrial products.

Sample/population

Survey covers:

- industrial enterprises employing 10 or more and turning over at least 2 479 000 euros
- other enterprises with secondary industrial activity involving at least 20 persons or turning over at least 2 479 000 euros.

Selection of enterprises is based on the DBRIS register, which covers the previous year's returns to the NSSO (for employment) and VAT data (for turnover) of the previous year.

Response	General coverage rate 93%, but certain branches of activity (mainly small enterprises) below the 90% threshold.
11.1.21.4. Adjustment methods	
Variables used for extrapolation?	Total industrial output is estimated as the sum of output defined according to Prodcom and the VAT turnover of all enterprises that are involved in industrial activity but are below the survey thresholds. Within the framework of the SUT table, the breakdown of industrial output by branch of activity is applied to the whole population.
Other adjustments?	None

11.2. THE INCOME PERSPECTIVE

11.2.1. National Social Security Office

11.2.1.1. Identification

Name of source:	Quarterly Multi-Function Return
Responsible organisation:	NSSO
Purpose of data collection:	Collection of social security contributions (main purpose, but now also used by other social security organisations)

11.2.1.2. Basic characteristics of the source

Reporting units

The NSSO is charged with managing social security for the vast majority of employees, self-employed persons and officials working in Belgium. Each employer, whether a physical person, a group of physical persons (e.g. a *de facto* association) or a legal person (company, non-profit association etc.), that recruits again or for the first time one or more employees has to inform the NSSO in order to become identified as an employer.

From the first quarter of 2003 the quarterly return was replaced by a multi-functional return. This means that the return is not confined simply to a correct calculation of applicable social security contributions, its data are also used by the institutions responsible for paying social security benefits (health insurance, unemployment, pensions, industrial accidents, occupational diseases, family allowances and annual holiday pay of manual workers).

NSSO data are the most important source of information for the income approach in the Belgian national accounts. These data are almost exhaustive and are very detailed.

All persons and enterprises that employ personnel under a labour agreement are subject to the social security system and are required to pay social contributions¹⁷³. In this sense, the NSSO data are exhaustive.

¹⁷³ This definition includes work performed by statutory officials (except those of provincial and local authorities, cf. 11.2.2) and work done in circumstances similar to an employment contract (self-employed persons).

However, they are not completely exhaustive, because a few types of labour are not covered by the NSSO. In the interest of exhaustiveness, these forms of work and their remuneration are estimated separately, cf. 11.2.1.4.

Data on the remuneration of employees are available at the level of individual enterprises. With a view to calculating social security contributions, enterprises are required to complete an electronic form (Multi-Functional Return):

Form sections	Description
Identification of employer	
Working hours and remunerations per employee	The input data required per employee cover the working hours and remunerations in order to calculate the contributions payable and any eventual deductions. Quality and occupation are important concepts in this respect. An employee's quality depends on the type of job (e.g. manual worker, clerical worker, manual trainee, etc.) and the category of employer. Working time depends on the amount of employment (e.g. full time, part time).
Contributions for the whole enterprise	The following contributions are stated for the whole enterprise and not per employee: supplementary pensions contribution, profit sharing contribution and contribution to clerical staff double holiday pay.

An example of the Multi-Functional Return is appended hereto.

Frequency	4x/year (quarterly)
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11.2.1.3. What variables are we trying to measure?

The data extracted from the Multi-Functional Return are processed for INA statistical purposes and supplied in the form of specific quarterly files. The following table gives an overview of the variables taken from the NSSO return.

ABBREVIATION	DESCRIPTION
ANTRIM	quarter to which the returns relate
VERSION	version
MATRIC	NSSO membership number
CODNAC	NACE code
CODIMP	size class of employer
INSEMP	municipality code of employer (establishment with greatest number of employees)
SECEMP	sector according to NSSO (1=private, 2=public)
REDTOT	total NSSO contribution reductions

COTPAT	total employers' contributions (calculated by NSSO)
COTTOT	total contributions (sum of employers' and employees' contributions; middle page of return form)
COTSPE	special contributions (codes 820, 830, 831, 832, 809, 810, 852, 853, 854, 855, 857, 856, 858, 859, 860)
COTAUT	special contributions reduced by codes 820, 830, 831, 832, 856, 860
MNTAEL	amount of non-statutory pension (calculated by the NSSO using the social contribution of 8.86% (cf. COTAEL))
COTAEL	contribution for non-statutory pension (code 851)
COTONSS	special social contribution payable by employee (code 856)
COTVEH	contribution for the personal use of a company car (code 860)
MNTVEH	amount of personal use of a company car (calculated by the NSSO using the social contribution of 33% (cf. COTVEH))
COTPPC	contribution for the collective agreement early retirement (code 879)
COTFSE	contributions for the social security fund (codes 820, 830, 831, 832).
COTVO-C	annual contribution for the annual holiday pay for workers in the construction industry (calculated by the NSSO)
COTVO-NC	annual contribution for the annual holiday pay for workers not in the construction industry (calculated by the NSSO)
PECVAC	double holiday pay
STUEFF	number of student-jobs
STUCOT	employers' contribution to the pay of students
STUSAL	total wage bill for students
NB-ELEM	number of possible combinations within the variable part (maximum 400)
CLATRA	class of employee: 1=manual workers; 2=clerical staff; 3=civil servants; 4=apprentice manual workers; 5=apprentice clerical staff
SEXTRA	sex of employee: 1=male; 2=female
NOTION	type of employee: 1=border worker; 2=other
JRSREM	number of normally paid working days
JRSVAC	number of days holiday
EFF-FT	number of full-time jobs on the last day of the quarter
EFF-PT	number of part-time jobs on the last day of the quarter
EFFVTE	full-time equivalents
EFFREL	maximum number of jobs in the course of the quarter
AANT-HB	number of people employed in main occupation
SAL100	salary at 100%
PREAVI	severance pay
PRIMES	premiums
SALFOR	contractual wages and salaries
SALATT	waiting time pay (carriers)

COTPER	social contributions payable by employees
CODRED	code type reduction in social contribution
NBRRED	number of employees for whom the reduction applies
MNTRED	amount of the reduction

11.2.1.4. Adjustments

The various adjustments made to the basic data serve to ensure exhaustiveness. After all not all forms of work are subject to the NSSO. The number of exceptions to this is small however and there is a trend to still integrate these in the future within the framework of the NSSO. The following table gives an overview.

<i>Work not subject to the NSSO</i>	<i>Alternative source</i>
• Non-resident maintenance staff	• Household budget survey (cf. 11.3.1) and specific survey (cf. 3.19)

Annex: example of Multi-Functional Return (DMFA) (fichier annexe exemple Dmfa_F.pdf) (annexed file example of Dmfa_F.pdf)

11.2.2. National Social Security Office for Provincial and Local Authorities

11.2.2.1. Identification

Name of source:	Quarterly NSSOPLA return
Responsible organisation:	National Social Security Office for Provincial and Local Authorities
Purpose of data collection:	Collection of social security contributions from local and provincial officials

11.2.2.2. Basic characteristics of the source

Reporting units

As a social security institution the National Social Security Office for Provincial and Local Authorities (NSSOPLA) is entrusted with the management of social security for all provincial and local authorities. These local authorities include municipal authorities and municipal public utilities, public centres for social welfare, intermunicipal companies and provincial authorities.

Frequency	4x/year (quarterly)
------------------	---------------------

11.2.2.3. What variables are we trying to measure?

The following table gives an overview of all the variables that are taken over from the NSSOPLA files. The number of variables is, because of the simpler wage and salary calculation, lower than the number from the general NSSO files.

NAME	DESCRIPTION
PERICD	Quarter (AAAAT)
WGANCD	Employer's registration number
VOLGNUMMER	Employee's anonymised number
WCATCD	Employee's category
NACECD	NACE code of employer's activity
BEZOCD	Remuneration code
LMAS EURO	Wages in euros
BIJDR EURO	Personal and employer's contributions in euros

11.2.2.4. Adjustments

Given the exhaustiveness of the NSSOPLA data, no adjustments are made.

11.3. THE EXPENDITURE PERSPECTIVE

In the calculations for the expenditure approach, in addition to the following sources, balance of payment data are also used, cf. 11.4.1.

The variables from the annual accounts and the VAT returns that are used to calculate the investments are stated with the sources for the output approach (cf. 11.1.3 and 11.1.7).

11.3.1. Household budget survey

11.3.1.1. Identification

Name of survey

Household Budget Survey

Links with other European surveys

Household Budget Surveys in the EU: Methodology and Recommendations for Harmonisation (Eurostat)

11.3.1.2. Basic characteristics

Main variables

- Average expenditure per household per annum

- Information on 800 consumer items

Frequency

Annual survey

Results available

In theory: t+12 months

In practice: t+30 months for 2003

Is the survey compulsory?

No

Main characteristics of survey method

- Survey organised by DGSEI
- Prior to 1999: for 12 months, participating households noted all items of regular expenditure and income in a special booklet. As regards current expenditure, they recorded:
 - expenditure items of more than BEF 1000 (25 euros) over an 11-month period (quarterly booklet)
 - all items of expenditure for one month (detailed booklet).
- From 1999 onwards, households have been asked to state all items of expenditure and income for one month. The participating households change each month.
- Frequent visits by DGSEI enumerators to provide explanations and check that booklets are filled in properly.

11.3.1.3. Sample and population

Units covered

Households

Sample/population

- Sample of about 3 700 households.

- From 1999 onwards, every month about 300 households have recorded their income and expenditure, bringing the

	number of households surveyed since 2003 to 3 731.
•	Random sample drawn from the 35 000 households in the Labour Force Survey.
•	Representative sample of whole Belgian population (about 4 170 633 households in 2003).
Response	Highly variable, depending on survey headings and population strata
11.3.1.4. [~] Methods	
How are missing data estimated?	Grouping of population strata and extrapolation
Variables used for extrapolation?	Extrapolation based on stratification of sample Criteria applied: <ul style="list-style-type: none">• Region: Flanders, Wallonia, Brussels• socio-professional status: employed, self-employed, economically inactive•• age• number of persons in household• number of economically active persons in household.
Other adjustments?	None
Annex:	Survey booklet (hard copy)

11.3.2. External trade

11.3.2.1. Identification

Name of source:	External trade
Responsible organisation:	External Trade Service (National Bank of Belgium)
Justification for collection:	Council Regulation (EC) No. 1172/95 of 22 May 1995 on statistics relating to the trading of goods by the Community and its Member States with non-member countries. Council Regulation (EEC) No. 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States.

11.3.2.2. Description of the source

Variables measured:

- Imports of goods:
 1. released for consumption, including departures from bonded warehouse,
 2. for temporary import prior to contract work or repair,
 3. for re-import after contract work or repair,
 4. for release into free circulation in the EU (in which case the goods are imported into EU territory after payment of import duties and with exemption from VAT, the goods can circulate freely within the EU. The VAT is paid in the Member State where the goods are released for consumption).
- Exports of goods:
 5. leaving Belgium for a final destination, including releasing goods into free circulation,
 6. for temporary export prior to contract work or repair,
 7. for re-export after contract work or repair.

Other variables:

- VAT number: at intra-Community level, only enterprises importing annually to a value of 400 000 euros or more and those exporting annually to a value of 1 000 000 euros or more are included; at extra-Community level, all enterprises declare their imports and exports via customs documents.
- Statistical system:
 - 11 ordinary imports from outside the EU or for release into free circulation in the EU,
 - 12 and 13 re-import after contract work or repair,
 - 15 and 16 temporary imports prior to contract work or repair,
 - 19 ordinary intra-Community imports,
 - 21 ordinary exports to outside the EU,
 - 22 and 23 temporary export before contract work or repair,
 - 25 and 26 re-export after contract work or repair,
 - 29 ordinary intra-Community exports or exports after release into free circulation.

- Type of transaction:
 - 1 purchase or sale,
 - 2 return of goods,
 - 3 free deliveries,
 - 4 import or export for contract work or repair,
 - 5 import or export after contract work or repair,
 - 7 transaction under joint defence or other inter-governmental programmes,
 - 8 transaction under a general construction or civil engineering contract,
 - 6 other transactions.

- CN 8 product code: EU **Combined Nomenclature of goods of the EU**

Frequency: External trade statistics are compiled monthly, but only the annual figures are used for national accounts purposes.

11.4. TRANSITION FROM GDP TO GNI

11.4.1. Balance of payments

11.4.1.1. Identification

Name of source:	Balance of payments
Responsible organisation:	Balance of Payments Servicet (NBB)
Reason for collection:	EU Council Regulation No 2533/98 of 23 November 1998. ECB guideline of 16 July 2004. Draft law of 09 March 2006 adopted by Belgium's House of Representatives.

11.4.1.2. Description of source

Variables measured:

Transactions involving goods and services, current and capital transfers to or from the rest of the world (changes of ownership between residents and non-residents) classified by balance of payments heading. These headings correspond to the IMF's *standard components* but some contain more details.

The following transactions are taken from the balance of payments:

Section 1: Current account

Import and export of goods:

General goods: goods imported or exported in return for payment.

Contract work: import or export of goods that have undergone contract work but remain the property of the final consignee. Only the cost of the contract work is recorded in the balance of payments.

Repairs of goods

Ship/aircraft stores: purchase or sale of automotive fuel or ship/aircraft stores.

Non-monetary gold

Imports and exports of goods are taken from external trade statistics and subjected to various adjustments (ship/aircraft stores, non-monetary gold).

Imports and exports of services:

- 10 sea transport of passengers and goods
- 11 air transport of passengers and goods
- 12 other transport of passengers and goods
- 13 financial services: commission, brokerage fees and financial intermediation charges
- 14 telecommunications, courier or postal services
- 15 construction works, civil engineering works or property real estate maintenance
- 16 computing or information services
- 17 services related to trade: commissions or brokerage fees on transactions involving goods or services, apart from futures contracts in goods classified into 13 financial services
- 18 insurance and reinsurance: to the value of the service provided by insurance companies
- 19 miscellaneous services: research, legal assistance, management, taxation, management costs of parent companies, subsidiaries or branch establishments, architecture, engineering, advertising, market research, waste processing, etc.
- 20 travel and accommodation expenses
- 22 royalties and licences
- 23 cultural and recreational services
- 24 international institutions and governmental services n.e.c.
- 27 hiring of movable goods and operating leasing

These services are reported to the Balance of Payments Service on the basis of specific surveys by resident financial institutions and enterprises that have activities outside Belgium, taken from the large economic operators in their sector of activity.

Primary income and current transfers account:

- 21 compensation of employees
- 30 financial income or income from other private-sector assets: share coupons, bond coupons, interest, rent.
- 33 financial revenue of Belgian general government: interest on loans, bonds and other financial operations
- 38 unilateral current and capital transfers by general government: statutory pensions and other social security benefits, levies and refunds (CAP), subsidies and gifts, taxes, funding of investments paid for by international institutions via the intermediation of Belgian general government.
- 39 current and capital transfers by enterprises and individuals: repatriated savings from earned income, investment financing, transfers by migrants, acquisitions or transfers of patents or licences, VAT and excise duties.

Section 2: Financial account

These transactions and those in sections 3-7 below are reported to the Balance of Payments Service by financial institutions established in Belgium or by residents themselves in the case of transactions effected via foreign accounts.

- 42 transactions involving securities from issuers established within the EMU area, except Belgium
- 43 direct investment by private-sector residents abroad: investment by a resident investor in an enterprise located abroad amounting to more than 10% of its capital.
- 44 transactions involving securities outside of the EMU area
- 47 transactions involving securities issued outside of Belgium, payment received by non-residents
- 48 direct investments by non-residents in Belgium: investment by non-residents in an enterprise situated in Belgium amounting to more than 10% of its capital
- 49 transactions involving Belgian private sector transferable securities
- 53 transactions by non-residents involving loans issued by Belgian general government
- 57 other financial transactions by Belgian general government
- 58 participations: payment by Belgian general government regarding the amount of their participating interest in the capital of enterprises established abroad or international institutions, and the disposal of such participating interests.

Section 3: Transactions involving bank notes

Section 4: Movements to or from a foreign account:

The balances of these movements should be zero, otherwise they are moved to the financial accumulation account: other deposits.

Section 6: Transaction involving exchanges and transfers between accounts of residents held by non-residents

Section 7: Balances and totals appearing in statements of foreign accounts:

Frequency: Balance of payment statistics are compiled on monthly and quarterly basis but only annual figures are used for national accounts purposes.

LIST OF ABBREVIATIONS

AEC	Agricultural Economics Centre	EEA/CLE
BBAA	Belgian Bureau of Automobile Assessors	BBEA
BCR	Brussels Capital Region	R B-C/BHG
BEF	Belgian francs	BEF
BFC	Banking and Finance Commission	CBF/CBF
BFIC	Banking, Finance and Insurance Commission	CBFA/CBFA
BIRO	Belgian Intervention and Refund Office	BIRB/BIRB
BLEI	Belgian-Luxembourg Exchange Institute	IBLC/BLWI
BLEU	Belgian-Luxembourg Economic Union	UEBL/BLEU
BNR	Belgian National Railways	SNCB/NMBS
CAP	Common Agricultural Policy	PAC/GLB
CBSO	Central Balance Sheets Office	CB/BC
CEC	Centre for Exchange and Clearing	CEC/UCV
c.i.f.	Cost insurance freight	CAF/CIF
CII	Collective Investment Institutions	OPC/ICB
COFOG	Classification of the Functions of Government	
COICOP	Classification of Individual Consumption by Purpose	
CSSR	Central Server for Statistical Reporting	
DBRIS	Database of those required to provide statistical information	
DFIPF	Deposits and Financial Instruments Protection Fund	FIF/BDFI
GDSEI	General Directorate of Statistics and Economic Information	DGSIE/ADSEI
EAGGF	European Agricultural Guidance and Guarantee Fund	FEOGA/EOGFL
ECB	European Central Bank	BCE/ECB
ECSS	European Coal and Steel Community	CECA/EGKS
EEA	European Economic Area	EEE/EER
EMU	European Monetary Union	UEM/EMU
ESA	European System of Accounts	SEC/ESR
EU	European Union	UE/EU
EUR	Euro	EUR/EUR
FEBIAC	Belgian Automotive and Cycle Industry Federation	FEBIAC
FISIM	Financial intermediation services indirectly measured	SIFIM/IGDFI
f.o.b.	Free on Board	
FPB	Federal Planning Bureau	BPF/FBP
FPS	Federal Public Service	SPF/FOD
FR	Flemish Region	RF/VG
GDB	General Documentary Base	BGD/GDB
GDP	Gross Domestic Product	PIB/BBP
GFCF	Gross fixed capital formation	FBCF/BIVA
GNI	Gross National Income	RNB/BNI
GNP	Gross National Product (ESA 1979 concept)	PNB/BNP
HBS	Household Budgets Survey	EBM/GBE
IMF	International Monetary Fund	FMI/IMF
HORECA	Hotels, restaurants, cafés	HORECA
INA	Institute for National Accounts	ICN/INA
ISO	Insurance Supervision Office	OCA/CDV
JAGF	Joint Automobile Guarantee Fund	FCGA/GMWF
KAU	Kind-of-activity unit	UAE/EEA
LP	Limited partnership	SC/CV
Ltd	Private Limited Company	SPRL/BVBA
MGSA	Minimum classification of General System of Accounts	SGCM?/MAR
NBB	National Bank of Belgium	BNB/NBB
NOAH	National Office for Annual Holiday	ONVA/RJV
NPA	Non-profit association	ASBL/VZW
NPI	Non-profit institution (ESA 1995 concept)	ISBL/IZW

NPISH	Non-profit institution serving households	ISBLSM/IZW
NRFM	National Retirement Fund for Mineworkers	FNROM/NPM
NRLP	National Register of Legal Persons	RNPM/RRRP
NSDII	National Sickness and Disability Insurance Institute	INAMI/RIZIV
NSSO	National Social Security Office	ONSS/RSZ
NSSOPLA	National Social Security Office for Provincial and Local Authorities	ONSS-APL/RSZPPO
NTS	Nomenclature of Transport Statistics	NST/NVS
ONDRAF	Radioactive Waste Management Office	ONDRAF/NIRAS
ONEM	National Employment Office	ONEM/RVA
OSSO	Overseas Social Security Office	OSSOM/DOSZ
PIT	Personal Income Tax	IPP
PLC	Public Limited Company	SA/NV
PSBH	Panel Study of Belgian Households	CPAS/OCMW
PSWC	Public Social Welfare Centre	AR/KB
RD	Royal Decree	IRG/HWI
RGI	Rediscount and Guarantee Institute	PRIME
RPILM	Regional Projects for Integration into the Labour Market	RTM/RMT
RTM	Marine Transport Authority	FAADELS/ALESH
SFSHL	Sinking fund for social housing loans	EMS/KMO
SME	Small and medium-sized enterprise	SNC/NSR
SNA93	System of National Accounts (UN, 1993)	CSPM/HVKZ
SRCF	Seafarers' Relief and Contingency Fund	ESE/ESE
SSE	Structure survey of enterprises	ESE-RF/ESE-GV
SSE-FR	Flemish region structure survey of enterprises	
SUT	Supply and Use Table	
TAIE	Trade Association of Insurance Enterprises	UPEA/BVVO
TLC	Third Labour Circuit	TCT/DAC
TOB	Tax on stock exchange transactions	TOB/TOB
VAT	Value added tax	TVA/BTW
VKT	Abridged accounting schedule	
VOL	Full accounting schedule	
WR	Walloon Region	RW/WG

Internal codes

P.11/V	Turnover (= P.11/V1+P.11/V2)
P.11/V1	Part of turnover relating to annual account code 70
P.11/V2	Part of turnover relating to annual account codes (74-740)
P.11/P.52S	Changes in inventories of finished goods and work in progress (component of P.1)
P.12	Output for own final use
P.2/A	Purchases for intermediate consumption (= P.2/A1+P.2/A2)
P.2/A1	Part of purchases for intermediate consumption relating to annual account codes 600/8+61
P.2/A2	Part of purchases for intermediate consumption relating to annual account codes 641/8
P.2/P.52U	Change in inventory of raw materials and semi-manufactured goods(component of P.2)
P.33	Final consumption expenditure by resident households in the rest of the world
P.34	Final consumption expenditure by non-resident households in the economic territory of Belgium
P.3_S.14	Final consumption expenditure by households
P.3_S.15	Final consumption expenditure by NPIs
P.31_S.13	Individual consumption expenditure by the general government
P.32_S.13	Collective consumption expenditure
P.52C	Change in inventory of trade goods
P.52U	Change in inventory of raw materials and semi-manufactured goods
P.52S	Changes in inventories of finished goods and work in progress